



LB1004: Require the Department of Health and Human Services to provide for an evaluation of the developmental disabilities system

Hearing Testimony January 26th, 2022

Good afternoon Chairman Arch and members of the Committee,

My name is Alana Schriver (A-L-A-N-A S-C-H-R-I-V-E-R) and I'm the Executive Director of the Nebraska Association of Service Providers. Thank you for the opportunity to speak on behalf of the people we support and employ.

Amongst the rush of a busy legislative session, we appreciate state leadership facing an important reality head-on: that people with intellectual and developmental disabilities (I/DD) who rely on home-and community-based services (HCBS) are drowning in the dual crises of an emaciated workforce and an unrelenting pandemic.

The status quo isn't working. Even if a global pandemic wasn't happening, Nebraska would be behind the curve due to a flawed study being utilized to determine rates and the rising costs of providing quality services. The pandemic multiplied previously existing issues by shutting off the spigot of a flowing workforce. The system in its current state is not sustainable.

I realize the intent of this evaluation is to focus on exploring waivers and expanding options for families, as a provider representative I can't bypass an opportunity to address rates.

While the Governor has approved a temporary 15% rate increase, CMS has yet to approve that spending plan (*utilizing ARPA/FMAP funding specifically earmarked for HCBS - \$90M available; \$61M allocated in the submitted spending plan, \$30M of which would go towards DD aid, leaving approximately \$30M still on the table*) so it is not guaranteed and not yet available to providers. If approved by CMS, that increase is set to end in June with no other aid in sight. A temporary rate increase only offers temporary relief. Providers cannot use temporary funds to increase wages.

Increasing wages is the only proven solution to successfully address workforce shortages. State leadership understands that to be true. In response to the state employee staffing crisis, wages were increased 20% when it was deemed necessary - but DD providers had no option other than wait for this legislative session to beg for similar intervention, all the while losing critical staff to the now much higher paying state jobs. Our average Direct Support Professional wage is \$13.27/hr. The techs at BSDC, whose wages typically mirror ours, now start at over \$17/hr plus shift differentials and better benefits. Providers cannot compete in the labor market at our current rates. It is impossible. Without staff, provider capacity will continue dropping and the waitlist will continue growing.



Funding was made available to bring 500 Nebraskans off the waitlist and into DD services this year, and while some of those people have been 'accepted,' they are not yet being served due to lack of staff. In fact, many providers are being forced to send notices to people already in service that their needs can no longer be safely met, let alone serve new referrals. Nation-wide, 77% of providers are turning away new referrals and 58% are discontinuing programs and services due to the staffing crisis. While this problem is not unique to Nebraska, it is exacerbated by our historically low unemployment rate.

Providers would love nothing more than to accept and successfully support every Nebraskan on the waitlist. It is mutually beneficial to do so. Every provider wants to grow, but we have to *recover* before we can grow. On average, providers have experienced a 12% margin loss since the start of the pandemic. Meaning, providers have gone from being reimbursed roughly 2% above their costs to losing 10% on the services they provide because the current reimbursement rate does not reflect recent significant increase in costs to provide care.

We agree whole-heartedly that Nebraska's DD system is due for a 'big picture' evaluation. What providers are asking for is a seat at the table during these conversations. No one understands the system and its issues better than the provider community - many of whom bring decades of institutional knowledge with them. Providers are the key to improving and expanding Nebraska's DD service system.

We have a magnitude of unmet need in our state. Opening dialog between providers, state leadership, and impacted families will increase opportunities for people with disabilities to live and thrive in their homes and communities. Additional funding, such as proposed in LBs 893 and 1172, would build our system back to a point where growth and innovation become options again, as well as prevent a cliff effect moving forward into future budget cycles. Your support of those bills is crucial.

NASP remains committed to protecting and strengthening supports for people with intellectual and developmental disabilities (like my own son who is currently on the waitlist for services). We hope for that same commitment from state leadership. Thank you for listening.

I'm happy to answer any questions at this time.