

I want to thank Representative Romanchuk for personally inviting me here today. I would also like to thank each of the members for their service on this committee.

My name is Ken Brown. In 2002, my wife and I started a company, Maximum Personal Achievement Services, providing in-home care to people with developmental disabilities. We deliver these services through the Ohio Department of Developmental Disabilities (DODD).

Over the last 17 years, the landscape in our industry has dramatically changed, and it is negatively impacting the citizens of Ohio with developmental disabilities who depend on these services for their day-to-day care and quality of life.

Today, I am here to discuss the state's staffing crisis that continues to plague our industry. I want to educate you on the reason why the staffing crisis exists and present to you the solution.

Over the last several years, I have watched state and county personnel throw money at the problem without any understanding as to why the crisis exists.

Their feeble attempts over the years include things such as:

- Grossly insufficient increases to the provider reimbursement rate
- DSPOhio.org
- Employee Resource Network

Each idea trumped the other in futility.

The most recent attempt to fix the crisis comes from the currently proposed budget as detailed in a letter from DODD's new state Director, Jeff Davis. To his credit, he has been dealt a tough hand and is advocating for a solution. In this letter dated March 20, 2019, he notes an 11% increase in HPC rates over the next two years.

Unfortunately, there was no diagnosis and without understanding the root cause of the problem, the crisis will not be resolved.

If you were having significant health issues and your doctor never diagnosed the problem and just told you he was going to throw some money at it by having you try some different medications hoping it would be resolved, you would never go back to that doctor. Moreover, if the doctor continued treating all his patients in this fashion, they would eventually lose their license.

Nevertheless, Ohio's DODD system has done exactly this for the past decade, and the health of our industry deteriorates, crippling the quality of life of the people we are entrusted to serve.

So, I ask, what is the diagnosis? We know what the problem is: the staffing crisis. However, what is the specific diagnosis? My experience in talking to people throughout our industry is that everyone is capable of discussing the problem, but nobody has identified the diagnosis.

A “symptom” and a “diagnosis” are two completely separate entities. We all know this. However, in Ohio’s DODD industry we have egregiously lumped them together.

A symptom is a presenting problem.

A diagnosis reveals the cause of the symptom and generates the proper treatment for cure.

Our symptom is the staffing crisis.

Until now, there had been no diagnosis, which is why each attempt to correct it has failed.

Several years ago, I spent time studying our industry to diagnose the problem accurately. In 2016, after completing my analysis, I was able to pinpoint the cause of the state’s staffing crisis and identify the solution.

Equipped with this information, I have spent the last several years educating as many people as I could including parents, guardians, SSAs, county and state administrators, and each member who served on this committee two years ago.

Why is the state of Ohio suffering from a staffing crisis? What is the diagnosis? I will tell you.

The relationship between DODD’s reimbursement rate and Ohio’s minimum wage has become severely imbalanced.

In 2006, the minimum wage was \$5.15/hour. The DODD reimbursement rate allowed us to pay our employees who provide HPC services, \$8.85/hour. That was a 72% increase over the minimum wage. This substantial gap between minimum wage work and HPC work created a healthy industry.

Because at that time, people looking for jobs could choose between a low wage job that required marginal effort and little-to-no work skills or a much more demanding job, that required high-level work skills but also paid substantially more money. 72% more.

Since then, the minimum wage has drastically increased, and DODD has failed to respond accordingly creating a much smaller gap. With such a narrow gap, and many entry-level jobs now paying more than minimum wage, our employees make the same hourly wage (and in many cases less) than those working at places like Taco Bell or Walmart.

As a result of this narrow gap, providers are now forced to hire people with low skills, and many times no skills. People who do have skills are either seeking easier jobs at places like Walmart

that pay the same or finding employment where they are paid in accordance with their higher work skills.

In 2006, we could easily find qualified employees with the required skills for the job. Now because the gap is so slim, we are forced to hire people from the same pool of applicants that minimum wage type jobs are.

The required skills for HPC employees far exceed those who are making tacos or stocking shelves. Also, because the delegated nurse process has vastly expanded, our employees are now doing many things that a few years ago only LPNs and RNs were legally allowed to do, things LPNs and RNs are still only allowed to do in nursing homes and hospitals.

This includes things such as:

- Administering medication (including psychotropic medication, heart medication, blood pressure medication, seizure medication, insulin, and other various controlled substances).
- Wound care
- AEDs
- Catheter care
- Trach care
- Diabetic care including glucagon
- Checking blood pressure
- Checking blood sugar levels
- Serving as a liaison between the individual and their doctor, psychiatrists, and psychologists
- Serving as a liaison between the individual and their pharmacy
- Checking medications and MARs
- Fixing errors from physicians and pharmacists

More importantly, in addition to these tasks, they need high-level work skills to be able to make judgment calls while safely completing critical health and psychiatric assessments.

Also, this does not even include other critical skills required for the job which include:

- Managing and budgeting personal finances
- Physical and Occupational therapy
- Managing their dietary needs

Essentially, our employees are assuming all RN responsibilities but doing it at wages comparable to employees who make burritos at Taco Bell. And the only requirement for our employees, as defined by DODD, is a GED and semi-clean criminal record.

GEDs and semi-clean criminal records are sufficient for making tacos. However, it's insulting, if not unethical, the same qualifications for applicants working at Taco Bell are the same for conducting RN duties in our industry.

When my wife and I started our company, I swore I would never hire anyone whom I wouldn't trust with my own kids. Unfortunately, that is no longer the case. The state of Ohio is now forced to hire thousands of employees who lack basic work skills, much less a basic work ethic, while at the same time having them complete nursing skills.

You would never allow yourself or a loved one to be treated in a nursing home or hospital by someone whose only qualifications were a GED and semi-clean criminal record and who lacked basic work skills, the ability to ensure proper daily hygiene for themselves, or ability to properly construct full sentences on their application, resume or documentation. Never!

Yet in Ohio's DODD system, it's now the accepted norm.

Since 2006, Ohio has raised the minimum wage ten times for a total of 66%.

However, DODD has responded by increasing the reimbursement rate for OSOC by only 19% and worse, HPC by a meager 7%.

Nobody would ever invest their own money into a company where their expenses increased by 66% while their revenue increased by 7%. They would view it as a failing business and wouldn't waste their money. However, DODD contracts with companies to provide these services and demand they somehow survive despite negligent budgets designed to fail an entire industry. More importantly, fail good citizens who need quality care provided by skilled employees.

In Jeff Davis' letter, he acknowledges companies having to make up the gap between the increase in minimum wage and the fact that the OSOC has not risen in accordance. Worse, companies have been eating a more significant expense in HPC services which have increased by only 7%.

In 2006, we were able to pay our HPC employees 72% more than minimum wage. Since 2007, when minimum wage made its first sizable jump, we have only been able to pay our employees

between 19-30% over minimum wage. With companies only able to pay such a slight amount over minimum wage, it has created the staffing crisis.

Jeff Davis' current proposal of an 11% increase still keeps us in the current range (19-30%) where we have been for the last decade. While it is a strong, initial gesture from our new director, it will not change the staffing crisis.

More disturbing is the state's newest proposal for minimum wage to increase to \$12 this January and rising to \$15 in 2023, there is no way to survive.

Without understanding this diagnosis and responding accordingly to the solution, we are all turning a blind eye to the obvious; the staffing crisis is about to get far worse and implode the entire industry.

Bumping the minimum wage to \$12 reflects a 133% increase from 2006.
Bumping the minimum wage to \$15 reflects a 191% increase from 2006.

Again, the state has increased the reimbursement rate just 7% since 2006. Nine months shy of the state's most historic jump in minimum wage, the recommended 11% in Jeff Davis' current proposal falls noticeably short of what is needed.

Seriously, nobody would invest in a company with these numbers. More importantly, these numbers impact the quality of care we can provide. The poor quality of employees we are forced to hire now will get worse. Much worse.

Without immediate action when minimum wage finally increases, the gap between it and the wages HPC employees are paid will either be zero or close to it.

I am not here to debate the validity for or against increasing the minimum wage. I am here to discuss the realization that without a budget that guarantees increases in perfect unison with the ever-changing minimum wage, our industry will implode.

That is not hyperbole, and I do not say it lightly. As someone who has analyzed these numbers and identified the diagnosis, I fully understand the gravity of this crisis, where it is heading, and the required solution.

And the solution is this:

1. We need a state budget that pays providers a reimbursement rate that allows us to pay HPC employees at least 50% more than minimum wage. 50% represents a sweet spot between where we have been throughout the crisis (30%) and where we were in 2006 prior to the crisis (72%).

2. We need a budget that allows providers to do this in every county, not an average where some counties are paying more than 50% and other less than 50%. The starting wages in rural counties need to be 50% more than the minimum wage. Once the state sets the rate for rural counties, adjustments in urban counties can be made (where the cost of living is higher).
3. We need a budget that changes on the same day minimum wage increase each time, not one where minimum wage increases in January and the DODD makes adjustments six months later, a year and a half later, or as is it currently doing, countless years later.

A true measure of leadership is being willing to embrace mistakes and learn from them.

This is a call for leadership.

Ohio's DODD industry needs:

Leadership that understands the impact between minimum wage and the reimbursement rates

Leadership that will move us forward

Leaders that will implement this solution for the benefit of our entire industry

Thank You