Ohio Senate

Finance Committee

May 25th, 2019

Chairperson Dolan and Esteemed Senate Finance Committee Members,

I am Eric Malkin and am writing to provide testimony on behalf of Community Employment For All (CEFA) and Homewatch CareGivers, where I serve as the Founder and CEO. These two companies serve the Developmental Disabilities (DD) community via home personal care (HPC), job coaching, job development and career exploration services. Currently, we utilize about 30 staff members to serve approximately 50 individuals in Cuyahoga County. The two companies work together to offer a unique career path for DSP’s.

I want to express my deepest gratitude to Governor DeWine, Director Davis, the Ohio Department of Developmental Disabilities, and the Ohio House of Representatives who, separately and collectively, have made an unprecedented investment in services for individuals with intellectual and developmental disabilities. I am appreciative of the administration and the Ohio House’s proposal to invest in the homemaker/personal care service to help increase the average wage of DSPs providing that service. Homewatch CareGivers provides care to both the elderly and DD communities. Elderly services are private pay and represent 80 percent of the business. The private pay business subsidizes the DD division. The DD division has never been profitable. This is due to regulation and reimbursement rates. With private pay, we need to charge about two times what we pay the caregiver. That same formula for DD doesn’t work because of the additional overhead expense needed for compliance. The current reimbursement rate is $20.60 per hour. We pay our DSP’s, on average, $10.60. The prospect of adding $150 M to the DODD budget in order to raise DSP rates is very exciting. My passion is our caregiving and DSP staffs. The reality is that if, for example, HPC reimbursement rates increase by $3 and providers are required to increase the wages by that entire $3, the providers will either lose more money or generate

less profit because of the benefits and the payroll taxes the provider would pay on top of the $3. Most providers desperately want to help their DSP’s. If we are fortunate enough to gain the extra funding that the House approved, please also know that simplifying compliance will have a positive impact on the DSP community and help to ensure that these funds will be used more efficiently. Attracting and retaining great DSP’s will have a significant impact on the individuals and families we serve. As an agency committed to providing services to individuals with intellectual and developmental disabilities, the investment helps ensure my agencies can continue to provide our array of services.

The developmental disabilities services field is in agreement on the direction and actions to be taken to increase our support and positive outcomes for individuals with disabilities and their valued DSPs. On behalf of my agencies, my staff, and the individuals we support, I encourage you, Senator Dolan and Members of this Committee, to support the proposed budget provisions relevant to the Department of Developmental Disabilities. Together we will succeed.

Respectfully Submitted,

Eric Malkin, Homewatch CareGivers and Community Employment For All (CEFA)