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Testimony on SFY 24/25 Operating Budget

House Finance Health and Human Services Sub-Committee

Chairwoman Carruthers, Ranking Member Liston, and esteemed committee members,

My name is Stephen Colecchi and I have the honor of serving as CEO of the Hattie Larlham Center for Children with Disabilities.

Hattie Larlham has a long and proud history of providing support and services to individuals with intellectual and developmental disabilities. From our humble beginnings in 1961 when Hattie and Richard Larlham opened their farmhouse on Diagonal Road in Mantua, Ohio to provide care to a disabled newborn, Hattie Larlham now provides services to over 1500 individuals at 70+ locations across Northeast and Central Ohio.

Hattie Larlham is primarily funded by Ohio Department of Medicaid through the Ohio Department of Developmental Disabilities. Over the past several years, the developmental disability (DD) provider community in Ohio has been significantly challenged by staffing issues. **We are in a crisis.** Our challenge in recruiting and retaining employees is directly related to the reimbursement that we receive from Medicaid, which results in our inability to pay our employees an acceptable starting salary.

Hattie Larlham operates as a not-for-profit organization and is one of the largest providers of services to individuals with disabilities in the State of Ohio. The Hattie Larlham Center for Children with Disabilities, our flagship location, is an Intermediate Care Facility (ICF) providing services to 124 individuals. Many of the residents at the Center also have significant medical issues in addition to their intellectual or developmental disabilities. The Center is a unique and special facility with outstanding and dedicated employees, providing long term support and care to the people we serve. More importantly, it is the permanent home of the individuals who reside there.

In addition to the Center, Hattie Larlham provides services at five ICF Group Homes; over sixty Supported Living and Waiver Homes and seven Adult Day Program locations. We also provide a wide range of Employment Services designed to help people with disabilities on their employment journeys. The Dahlberg Gibson Learning Center is Hattie Larlham's innovative early intervention program for infants, toddlers, and preschool-age children with intellectual and developmental disabilities living in Franklin County.

Without question, the backbone of any DD provider are its employees. The Hattie Larlham Center relies on Direct Support Professionals (DSPs), Registered Nurses, Licensed Practical Nurses, Respiratory Therapists, and other staff to meet the complex needs of our residents. The most pressing current need is for additional Medicaid funding so that we can increase the hourly rate

for all these employees. We will not be able to continue to provide the support and care to the number of individuals we currently serve unless we are able to address our staffing needs.

To put things in perspective, here are some key numbers for Hattie Larlham:

- The total budgeted staff at Hattie Larlham for 2023 is 889 FTEs (full time equivalents).
- As of March 15, 2023, Hattie Larlham has 163 FTE openings for all staff positions.
- The total budgeted DSP staff for 2023 is 613 FTEs.
- As of March 15, 2023, Hattie Larlham has 133 FTE openings for DSP staff.
- The current starting salary for DSPs at the Center is \$15.50.
- The current starting salary for DSPs at other Hattie Larlham locations is \$14.00.

It should be obvious that a starting salary of \$14.00 per hour or \$15.50 per hour is not enough to attract employees to consider working as a DSP.

Governor DeWine has included additional funding for DD providers in his proposed State of Ohio 2024-2025 budget. This increase is a strong signal of the commitment of the Governor and DODD Director Hauck to addressing the critical needs of the DD system. We thank the Governor and Director Hauck for their support.

The additional funding that the Governor has proposed will allow Hattie Larlham to increase starting salaries for DSPs by approximately \$2.00 per hour. This funding is an important start to helping Hattie Larlham and other providers address their staffing needs, but it is not the full funding solution that is needed and more needs to be done.

We believe that starting salaries for DSPs need to be at a minimum \$20 per hour. A \$20 starting salary will at least give Hattie Larlham and other DD providers a chance to compete with Amazon, the large retailers, the fast-food restaurants, and other employers for the employees that we need to meet the needs of the people we serve.

We know that the funding being requested is an historic ask and that there are other needs for additional state funding, however, none more important than the funding needed by DD providers. We know that children and adults with disabilities rely on their families and organizations such as Hattie Larlham to meet their needs and to allow them to succeed to the best of their abilities. We have a profound responsibility and cannot forget about the needs of those with disabilities. In many cases, they have no other choices for their support and care. This is especially true for the residents at the Hattie Larlham Center. If we are not here to meet their needs – who will?

The staffing challenges that we are facing have already had a dramatic increase on the services that we are able to provide. As of March 15, 2023, Hattie Larlham has forty individuals on the waiting list for placement at the Hattie Larlham Center or one of our ICF Group Homes. During 2022, Hattie Larlham received 352 inquiries for ICF placement or respite services. Given our staffing levels we are currently not accepting new residents at the Hattie Larlham Center. We have not been able to provide any respite services since early 2020. This same story is being replayed across Ohio.

The Hattie Larlham Center is only one of five ICFs in Ohio that provides services to Ohioans with disabilities who are also dependent on ventilator support. The Hattie Larlham vent program has excellent outcomes and there is a significant unmet need for this type of service. There is a vent-add-on rate that we receive for providing this service, but that rate has not increased since 2013, even though our operating costs have increased significantly during that same time period. The Governor's budget has included an increase in the vent add-on rate which is desperately needed. This additional funding will allow us to consider expanding our vent program because funding will be available to pay current staff and to hire the additional respiratory therapists and other staff needed to grow the vent program.

At the end of the day, this all comes down to whether a not-for-profit organization such as Hattie Larlham has the financial resources to meet the needs of the people we currently serve, and to potentially increase the number of people served.

Hattie Larlham incurred significant additional expenses during 2022 to ensure that adequate staffing was available. During 2022, Hattie Larlham spent \$5,400,000 for employee premium pay including overtime and special incentive pay to encourage existing staff to work additional hours. To their credit, many of our employees stepped to the plate and worked significant additional hours beyond their normal shifts. During 2022, Hattie Larlham also incurred additional expenses for agency staffing in the amount of \$830,000.

We cannot continue to ask our current employees to work overtime and additional hours at the same pace moving forward. It is not healthy from the standpoint of life-work balance. We do not have the resources to spend over \$6,200,000 annually for employee premium pay and agency staffing. It is not sustainable from a financial standpoint long-term.

We need to be very clear in our message. Unless additional funding is provided to Hattie Larlham, we will have no choice but to reduce the number of people we serve and to perhaps even close certain programs and services. Unless additional funding is included in the State Budget that will be effective July 1, 2023, providers across Ohio will need to reduce the number of people they serve, and some DD providers will close completely.

Whether you are an elected official, a parent or guardian, an employee, a board member or volunteer, or someone with an interest in the services provided by the DD provider network in Ohio, we collectively have the responsibility to make sure that sufficient funding is provided to pay our employees an acceptable hourly rate and to allow us to compete for employees and address our staffing needs and, most importantly, to meet the needs of our fellow Ohioans with intellectual and developmental disabilities. These folks rely on all of us, and we cannot let them down.



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