



Testimony on HB 110  
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Chair Huffman, Vice Chair Antani, Ranking Member Antonio, and members of the Health Committee;

On behalf of the Ohio Association of County Boards of Developmental Disabilities, I thank you for the opportunity to present testimony supporting House Bill 110, the state's biennial budget. HB 110 builds on many of the successes achieved two years ago in HB 166, and we are grateful to the Ohio Department of Developmental Disabilities and the Ohio Department of Medicaid for their transparency and willingness to collaborate over the past year and during the development of this proposed budget. We do, however, believe that the bill could be improved, notably by providing funding to increase Medicaid waiver reimbursement rates.

In the last budget, the 133<sup>rd</sup> General Assembly made historic investments in the DD system. Reimbursement rates for certain home- and community-based services (HCBS) had been stagnant for more than a decade, causing direct support professional (DSP) wages to become artificially uncompetitive. Facing a critical workforce shortage, you and your colleagues rose to the occasion by funding a rate increase that would raise the average wage of DSPs across the state to roughly \$13 per hour. Recognizing the critical importance of this long-overdue increase, county boards partnered with the state to help finance the new rate with local property tax dollars. Thanks to a new provider wage verification tool that launched at the beginning of this year, we will soon be able to document that these funds went to their intended recipients: front-line health care professionals who are responsible for supporting people with developmental disabilities in Ohio with essential services that make daily life possible.

The ongoing pandemic has strained the DD system in ways we could not have anticipated. As employees have become ill or forced to quarantine, providers and county boards alike have struggled with staffing challenges that compound the system's already strained workforce. New and innovative collaborations developed between county boards and their provider partners over the past 14 months have been temporarily successful in making sure that vital services have continued uninterrupted; however, our system is at its breaking point. More action must be taken quickly if we are to avoid any further reductions in provider capacity over the coming months.

In addition to the practical challenges the pandemic created for our system, funding cuts to the Department of Developmental Disabilities (DODD) over the past year have resulted in the state not being able to fulfill its obligation with regard to the HB 166 DSP wage increase. County boards were able to step up and fill the funding gap using one-time money set aside for this purpose, but our continued capacity is limited. While additional one-time funds are being made available by the federal government to assist with pandemic challenges, we believe the use of these funds alone will not meet our system's long-term funding needs. We

would encourage these funds to be appropriated separately from HB 110 and will work to identify appropriate uses of these funds for the legislature's consideration when the time comes.

It is with that context in mind that we share our support for HB 110. The DODD components continue the DSP rate established in the last budget. Coupled with additional existing supports for DSP training, retention, and recruitment, these policies have helped to mitigate the system's workforce crisis, but more work is needed in this area.

### **Avert a Looming Disaster by Funding a Provider Rate Increase**

The DD system's workforce needs additional critical investment to forestall a shortage of providers unlike any we have experienced in our system throughout its 54-year history. Although many industries are currently facing workforce shortages for a number of reasons, including wage competition and barriers to workforce re-entry, Ohio's DD providers are distinguishable from other employers because of the unique environment in which they operate. These providers can only charge the Medicaid rate for services and do not have the ability to cost-shift to private payers. They do not work within a market economy like other industries do—their only source of potential revenue is what the government makes available through its reimbursement rate. This inherent inability to adjust to market conditions has caused a decline in their ability to provide high quality services to all to people with developmental disabilities in many areas across the state.

In Allen County, for instance, the county board has been forced to use local funds in some cases to pay people's neighbors or family members to deliver services because there is a lack of capacity among available Medicaid providers. This is an inefficient use of taxpayer dollars that could otherwise be drawing down federal funds for the same purpose. Other providers have told the board they could not serve in homes with fewer than three to four clients, signaling a potential shift toward larger congregate settings based on economic factors rather than on policy decisions or the preferences of the people we serve. Providers in the county are stretched thin—filling staffing gaps with overtime hours and by using management personnel to fill in front-line roles. Overtime is not a component of the rate structure, so every hour of overtime providers pay is an uncompensated expense that drives them closer to insolvency. These problems are not unique to Allen County. Similar circumstances can be found with providers in every county in the state.

The workforce shortage has also caused a noted decline in trained, experienced, and qualified direct support professionals (DSPs) within our state's the DD workforce. Because it is extremely difficult to recruit new employees to these positions, providers are forced to retain employees who in years past would have been terminated or never hired in the first place. Provider managers are often forced to choose between retaining underperforming workers or notifying people with disabilities they support that they will soon be unable to serve them at all due to lack of capacity. In some cases, providers are limited in the range of services they can offer because of staff limitations. Ultimately, people with developmental disabilities and families who need services are the ones who suffer because of the ongoing workforce shortage.

There is only one remedy for the current crisis, and that is through legislative action to appropriate funds supporting increased rates for Medicaid waiver services. Once again, the providers in this field are locked into the reimbursement structure established by the state and, no matter how innovative or efficient their business model, they cannot escape the economic realities of the labor market. The power to authorize and fund such a rate increase rests solely in the hands of the General Assembly.

In the last budget, the 133<sup>rd</sup> General Assembly made an investment in increasing DSP wages to begin to address this issue. As legislative leaders from both parties noted two years ago, allowing direct support wages to stagnate again will only exacerbate the workforce shortage. We ask you to build on the progress made over the last two years despite the significant setbacks imposed by the pandemic. A wage verification tool is now in place to ensure that the state's investment goes to pay for the wages and benefits of the workers it is intended to help. That tool would provide the same level of oversight for any new investment in this budget. OACB supports the request made by our provider partners on this issue. As you have heard from our collective testimony, the need is substantial. We believe an increase is warranted and we look forward to working with you throughout the budget process to address this issue.

### **Funding Assistive Technology and Remote Supports**

New one-time funding in this proposed budget will support an innovative technology grant program. Remote support technology offers a fast, cost-efficient, and effective long-term strategy to overcome the challenges presented by the workforce shortage we discussed earlier in this testimony. In addition, remote supports offer the added benefits of greater personal independence and increased health and safety among the people we serve. Over the past year, we have seen more than ever before the troubling impact social isolation can have on people's lives, and it is OACB's hope that investments like these grants can help promote community integration and inclusion for people with developmental disabilities. The version of the bill passed by the House of Representatives included additional funds for the Community Supports and Rental Assistance line item to promote the Technology First initiative. OACB supports this increase, and we believe this initiative is worthy of additional investment in the Senate.

### **Maintaining State Support for Early Intervention Services**

This budget also continues critically important funding for the state's Early Intervention programs. Early Intervention (EI) allows specialists from a county board of DD or other provider to work directly with young children with developmental disabilities or delays and their families to help them build skills that enhance development. In many cases, EI services can help reduce or even eliminate the need for more intensive and expensive services later in a child's life, thereby improving outcomes for the child, their family, and the community. This program was expanded to include children impacted by lead exposure or neonatal abstinence syndrome in FY 20-21, significantly increasing statewide program enrollment. This continued funding represents a key support for families of young children with developmental delays.

### **Supporting Multi-System Youth and Families**

OACB is particularly encouraged by the Governor's continued commitment to supporting multi-system youth and their families. Again building on momentum created in HB 166, this budget contains new funding aimed at providing innovative new tools to address this population's complex needs. One such project will create multi-disciplinary response teams to provide trauma-informed care, education, and support for families in the home setting. Another initiative complementing OhioRISE will provide children with complex needs and their families with creative, flexible supports in their communities. Serving these children and their families is a top priority for our field, and county boards of DD remain eager and willing partners to the Ohio Department of Medicaid on these initiatives.

### **Cutting Administrative Red Tape**

HB 110 also contains administrative clean-up items important to county boards. First, a requirement that every county board employ a business manager and a Medicaid services manager will be reinstated into the revised code. This language was inadvertently deleted through the last budget process. The requirement is

currently followed by every county board and is intended to ensure sound fiscal operation and regulatory compliance. Second, this budget includes a provision making certain departmental audits discretionary, reducing administrative burden on the state and counties. This common-sense change preserves necessary departmental oversight but ensures that DODD and county board staff can focus their time and resources on helping people with developmental disabilities.

Thank you for your interest in hearing about the DD system's needs in this budget cycle. We appreciate the partnerships we have built with most of you and we look forward to continuing those relationships as we work together to address the many challenges facing people with developmental disabilities. Thank you for your time and attention. I am happy to answer any questions you may have.