



# THE Community Equation

COMMUNITY SUPPORT PROVIDERS OF SOUTH DAKOTA

2015 Legislative Session

## Who We Are

The Community Support Providers of South Dakota are 19 private and public nonprofit community agencies that provide supports and services to the vast majority (over 95%) of adults receiving services in South Dakota who have intellectual and developmental disabilities. Over 3,700 staff members work over 6,325,000 hours annually to support over 4,000 people in their communities, including many children.

## What We Do

We provide a wide array of professional and support services so that people can live, work, and play in their communities and be active, contributing members. Services include:

Service Coordination  
Supported Employment  
Nursing Services  
Family Support Services

Specialized Services  
Recreational Activities  
Vocational Services  
Residential Services

Day Habilitation  
Retirement Services  
Community Inclusion

## State/CSP Relationship

For the past 50 years, CSPs and the State of South Dakota have worked very closely together to develop and maintain services that help to keep people in their home communities, near friends and families.

This has included reducing the number of people served at the Developmental Center in Redfield from a high of 1,199 in the 1960s to the current 130-140. Further, the Developmental Center in Custer was closed in the 1990s and most of the people (about 90) moved to CSPs successfully. This has saved the State millions of dollars over the years, and this movement-to-community effort continues to this day.

CSPs are doing the State's business, and doing it at very modest rates of reimbursement, by any method of comparison. We have been good and responsible stewards of the taxpayers' dollars.

## Funding Constraints

However, our many years of frugality have clearly taken a toll on quality services and keeping employees. Nonprofits with "breaking even" as a permanent budget policy settle into a low pay, make-do, and do-without culture, that is accomplished on the backs of our employees and people supported.

Most of you know that CSPs are highly dependent on Medicaid (nearly 80% of our budgets); however, we only represent about 15% of the State's total Medicaid budget.

The fiscal picture for the past many years has been very austere. CSPs are still 1% less in their rates of reimbursement than they were in FY 2009. We can't raise our prices, like a private business. Our rates are set by State government (the Governor and the Legislature). We are way behind and we can't compete with the market for wages and employees.

### **The Direct Support Professional Crisis**

CSPs need the ability to attract, hire, and retain direct support staff. This is, by far, the most critical problem CSPs are facing. It's the worst it's ever been and it's getting more critical each year.

- FY 2014 DSP Turnover Rate 46.5%
- Average # of FY 2014 Open Positions 11-13% (425-480 positions)
- Current Federal Poverty Level Wage \$11.29/hour
  - Average CSP 6-30-14 Entry Level Wage \$ 9.85/hour
  - Average CSP 6-30-14 DSP Wage \$10.98/hour
- FY 2014 State Salary Schedule DSP Job Worth \$14.34/hour (SDDC-Redfield)
- Only one of 19 CSPs was fully staffed at any time in the past two years.
- The State Bureau of HR lists DSP positions as "hard to fill" and "below market value."
- Supervisory and management staff are routinely working direct shifts.
- CSPs are increasingly losing good employees to other jobs that pay more and demand less.
- CSPs paid over \$4 million in overtime to employees in FY 2014.
- CSPs are at risk, daily, of higher rates of catastrophic events, medication errors, and abuse and neglect.

### **Current Federal Mandates**

On top of this, the Division of Developmental Disabilities and CSPs are facing two significant system changes right now that are being required by the Centers for Medicare and Medicaid Services (CMS) that relate to our HCBS Medicaid Waiver.

1. We need to change our rate reimbursement method, from bundled daily rates to fee for services. The fiscal/operational impact is yet unknown, but providers are naturally concerned.
2. Case management services must now be provided by someone other than CSPs to assure this is a conflict-free service. Funding for this is proposed to come from CSP operating budgets, which will mean the loss of those CSP staff and the knowledge and capacity they bring to each agency.

These changes will have a huge impact on an already fragile system.

### **Our Request of You**

CSPs need additional resources, above inflation, to address the existing and ever-growing DSP crisis. It would cost about \$6.5 million in total (state/federal) dollars to raise all employees' wages by \$1.00 per hour, not including payroll taxes and benefits.

We have been credible and responsible service providers for South Dakota. We are asking for your consideration for some additional positive action toward improvement of the staffing crisis.