SB138

Workforce Development Committee Report

December 1, 2007

Initial Findings

Prepared for

New Hampshire's Legislative Oversight Committee
for Developmental Disability Services

Senate Bill 138 requires in part that a committee be established to improve the capacity of the NH Developmental Services System including the development of a plan to address long-term workforce and related human resource issues. The overarching goal is to ensure that the service delivery system has and maintains the capability to recruit and retain a sufficient number of qualified personnel at all levels.

In accordance with SB 138, the Committee included the following individuals.

Gordon Allen, NH Developmental Disabilities Council
Diane Carignan, People First of NH
Beth Dixon, Board of Directors, Area Agency 4
Ellen Edgerly, NH Brain Injury Association
Matthew Ertas, NH DHHS BDS
Bobbi Gross, Family Support Council, Area Agency 2
Susan Gunther, Family Support Council, Area Agency 3
David Hagner, NH Institute on Disability
Deborah Hopkins, Private Provider Network
Kirsten Murphy, Board of Directors, Area Agency 2
Dennis Powers, Community Support Network, Inc.
Cathy Spinney, Board of Directors, Area Agency 10
Nancy Rollins, NH DHHS DCBCS
Mike Skibbie, NH Disabilities Rights Center
Michael Umali, Family Support Council, Area Agency 6

The Committee received additional support and consultation from the following individuals:

Robin Carlson, Enhanced Family Care Provider
Martha Dixon, Health Insurance Specialist
Peggy Sue Greenwood, NH DHHS BDS
Karen Kimball, NH DHHS BDS
Kenneth Lindberg, NH DHHS BDS
Barbara Wilson, Direct Support Professional

This Committee convened on ten occasions from August through November 2007. Members conducted research on workforce issues nationally and found that the issues NH struggles with are nearly universal and solutions are not readily available. Research sources included but were not limited to the following:

- U.S. Department of Health and Human Services, The Supply of Direct Support Professionals Serving Individuals with Intellectual Disabilities and Other Developmental Disabilities: Report to Congress January 2006.
- Direct Support Professional Make a Difference. Shouldn't They Also Make a Living?; American Network of Community Options and Resources. www.ANCOR.org.
- Eldercare in New Hampshire, Labor Market Trends and their Implications, March 2006.

In recognition of the fact that service providers are the backbone of the NH community-based developmental services system, the law charges the Committee with providing a methodology for annual or periodic salary increases and recommendations for salary differentials or increments based on amount of experience or other factors for all staff positions at the area agency and provider levels. With respect to direct support staff specifically, the plan must provide for a method to increase Direct Support Professionals (DSP) salaries to achieve and maintain parity with the Mental Health Worker I (MHW I) salary schedule at New Hampshire Hospital (NHH) by July 1, 2011, and remain so thereafter.

The US Congress has defined DSPs "as individuals who receive monetary compensation to provide a wide range of supportive services to individuals with intellectual and developmental disabilities on a day-to-day basis, including habilitation, health needs, personal care and hygiene, employment, transportation, recreation, and housekeeping and other home management-related supports and services so that these individuals can live and work in their communities and lead self-directed, community and social lives".[i] In NH, DSPs work in a range of settings, including family homes, small community residential settings, vocational and day services programs and others. Despite having very similar skill sets (Active Listening, Coordination, Critical Thinking, Monitoring, Reading Comprehension, Service Orientation, Speaking, and Social Perceptitiveness[ii]) wages continue to reflect an institutional bias in this field nationally. For example, nursing aides, orderlies, and attendants average wage in November 2004 was $11.74 while Personal and Home Care Aides made just $8.99.[iii] This is a $2.75 per hour difference or 31% for essentially the same work; furthermore, DSPs often have to carryout their work with less supervision and specific direction.

Current vacancy rates for DSPs nationally are estimated at 10-11%. Demand for DSPs is expected to grow by 37% by the year 2020 due in large part to population increases, increases in life expectancy among persons with intellectual disabilities or developmental disabilities, aging of family caregivers, and a general expansion of home and community-based services. This at a time when the labor supply of adults age 18-39 years, who traditionally have filled these jobs is expected to increase by only 7%.[iv] Recruitment efforts alone will not satisfy the growing demand, and therefore retention of current DSPs becomes increasingly important.

Statistics indicate that annual turnover in DSP positions is between 50%[v] and 75%[vi]. Estimates related the cost of turnover range between $3,200[vii] and $8,000[viii] per DSP including recruiting, orienting, training and overtime costs due to vacancies. Given that the number of DSPs in NH's system is estimated to be approximately 1,685, if a turnover rate of 50% is utilized with a cost per turnover of $3,200. it can be estimated that NH may be experiencing a hidden turnover cost of in excess of $2.6M annually for DSPs alone (calculated as: 1,685 x 50% x $3,200 = $2,696,000). NH DSP Survey data indicate that 47% of DSPs have been employed in their current position for less than three years, with 19% being less than one year. At a turnover rate as low as 19%, costs could exceed $1M. While some amount of turnover is to be expected in any position, if the rate of turnover in NH were to be decreased, some savings could be expected along with improved quality of service and satisfaction for individuals and families due to increased stability of service providers. It is likely that a reduction in turnover may be achieved by raising the hourly wage for DSPs.

Between 1998 and 2002, public institutions had an average wage of $11.67 whereas in community-based services the average wage was $8.68. The average turnover for public institutions in 2002 was 28% while community services was nearly twice as high at 50%[ix] indicating a strong correlation between hourly wages with turnover rates.

In addition to researching available national data, the Committee found it important to survey those directly impacted in NH. As a result, surveys were conducted of five key stakeholder groups including:

Stakeholder Group	Number of Responses
Direct Support Professionals	301
Enhanced Family Care Providers	98
Area Agencies and Vendor Agencies	26
Families of those receiving services	145
People First of NH	33

All surveys were made available in an on-line web-based format as well on paper. The response rate from all stakeholder groups was strong, indicating the support and interest in this topic area. In addition to conducting multiple surveys, a focus group was conducted with DSPs at the October 26 –29, 2007 DSP Conference in Bartlett, NH.

Although 99.7% of DSPs responding to the Committee's survey indicated positive relationships with those they support and work with, and 89.6% indicated they would recommend a career as a DSP to others, when asked what three reasons might cause them to leave their current jobs, 74% indicated low wages. Specifically, wages were rated: "Poor" by 42%, "Fair" by 32%, "Good" by 23% and "Excellent" by 3%.

One of the unique aspects of NH's developmental services system is that area and vendor agencies are private, independent businesses that have developed to meet the needs of local citizens with disabilities and their families. Most of these agencies are private, not-for-profit corporations, governed by local boards of directors who are responsible for establishing salary levels based on local market conditions. Many agencies have contracted with professional salary consultants to establish their wage scales based on comparisons with other local and regional non-profit organizations; the contractual relationship between DHHS and the area agencies has allowed for, and encouraged, this flexibility in order to promote local control. While the NH State system that employs MHWs is public and unionized, the Committee believes that wages should be commensurate and would thereby require private agencies to pay comparable salaries. As such, the Committee recommends the following relative to wages of DSPs:

COMMITTEE RECOMMENDATION 1:

The New Hampshire Legislature should appropriate funds sufficient to support a salary schedule that provides and maintains parity with the New Hampshire Hospital Mental Health Worker I wage schedule such that annual wage increases are given to DSPs; such

increases should recognize and incorporate differentials for the completion of advanced training and education which result in increased competence.

The salary range for a Mental Health Worker 1 at NHH effective January 2, 2009 is in eight steps as follows:

Labor Grade		Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
	LONGEVITY	Year 1	Year 2	Year 3	Year 4	Year 5	Year 7	Year 9	Year 11
09	ANNUAL	23,712.00	24,628.50	25,584.00	26,539.50	27,514.50	28,645.50	29,718.00	30,888.00
	HOURLY	12.160	12.630	13.120	13.610	14.110	14.690	15.240	15.840

The average of the eight-step range for a MHWI is $13.93. Survey results indicate that the current estimated average for DSPs is $10.62 per hour. Ninety-eight percent (98%) of DSP survey respondents currently earn below $13.93. If the system employs approximately 1,685 full time equivalent (FTE) DSPs, and if the DSP Survey sample is reasonably representative, then it can be extrapolated that 1,648 DSPs would require a rate increase of on average of $3.31 per hour. The cost estimates below are calculated utilizing these assumptions.

Cost Estimate to Achieve Parity with the Average Wage for MHW I as of January 2, 2009:

- $13.93 (MHW I) – $10.62 (DSP average) = $3.31 average hourly wage increase required for parity;
- 1,685 (FTEs) x 98% = 1,648 DSPs requiring wage increases;
- $3.31 x 2,080 (annual paid hours per FTE) = $6,885 average annual salary increase per DSP;
- $6,885 x 1.18 (allowance for requisite tax[1] and benefit[2] increases) = $8,124. total annual cost for increase per DSP;
- $8,124 (cost) x 1,648 (FTEs) = $13,387,084 total expected cost to achieve parity;
- $13,388,352 x 50% (General Funds rate) = $6,694,176. total expected GF cost to achieve parity.

The cost to maintain parity is difficult to predict as the wage of a MHW I will change with the contract for State of NH employees. If an estimate of 2% is used for an anticipated increase for the MHW I position effective 2012, under the scenario outlined above, the starting wage would become $14.21, or an increase of $0.28 per hour in wages and $0.33 including taxes and benefits. Approximately 98% of DSPs are currently earning less than $14.21 per hour.

Cost Estimate to Maintain Parity with MHW I in 2012:

- $14.21 - $13.93 = $0.28 per hour increase
- $0.28 x 1.18 (allowance for requisite tax* and benefit** increases) = $0.33 total hourly increase
- 1,685 (FTEs) x 98% = 1,654 DSPs requiring wage increases
- $0.33 (total hourly cost of increase) x 2,080 hours = $686.40

[1] FICA: 7.65%; SUTA 1%; Worker's Comp. 5%

[2] Life and Disability Insurances 1%; 403B contributions 3%.

- $686.40 x 1,654 = $1,135,306. estimated total cost to maintain parity in 2012.
- $1,135,306 x 50% (GF rate) = $567,653 total estimated GF costs.

An alternative which would likely be sufficient to maintain parity with MHW I position once achieved, would be the recommendation that follows relative to all staff and providers.

COMMITTEE RECOMMENDATION 2:

The New Hampshire Legislature should appropriate funding for annual rate increases indexed with the Consumer Price Index, All Items, as published by the US Department of Labor, Bureau of Labor Statistics. Such a rate increase shall be directed toward annual salary and stipend increases for all staff and providers at the area agencies and subcontract vendor agencies. Area and vendor agencies shall recognize and incorporate salary increase differentials for the completion of advanced training and education which result in increased competence.

Cost Estimate to Provide Wage Increases for all Staff and Providers:

- FY 2009 BDS GFs Community-Based Services budget (direct services) x 2007 YTD CPI =
- $95,319,773 + $5,369,635 = $100,689,408 x CPI 3.7% = $3,725,508 estimated cost of all staff and providers rate increase in GFs.

In addition to across-the-board increases, the Committee recognizes that there are specific occupational areas requiring specialized skills critical to ensuring that citizens with developmental disabilities receive quality services; successful recruitment for these positions may require additional salary increases. The positions of Service Coordinator, Job Developer, Therapists for Early Intervention and Assistive Technology, Clinicians specializing in Dual Diagnosis and Forensics have been identified as such occupational areas. Further analysis is recommended to determine the levels of adjustment needed to recruit and retain staff across these and other professional positions within the developmental services system.

Health Insurance for Enhanced Family Care (EFC) Providers:

Approximately 1,000 individuals, or 65% of those currently receiving Personal Care/Residential Services, live in EFC settings in NH (the EFC service model is closely equivalent to Foster Care for children). The individuals who provide these services do so as independent contractors. They are not considered employees of an area or vendor agency. EFC providers are typically paid via a monthly stipend amount. The use of the independent contractor status is owed to both labor laws and an IRS tax benefit which does not subject EFC stipend amounts to income tax. Additionally, EFC providers do not pay Social Security Tax and are therefore not gaining eligibility for Social Security Benefits (such as retirement and or disability) as a result of their work as EFC providers. As is the case with subcontractors in most industries, EFC providers are ineligible for health insurance or other similar benefits which are offered by the area and vendor agencies to DSPs and others who are defined as employees of said agencies.

The EFC model is beneficial to the NH developmental services system for a number of reasons. First, this model is consistent with the overarching philosophy of individualized community integration and natural supports. When a person receiving services is introduced to the community as member of a local household, they are viewed as people first with any disability as a characteristic of who they are rather than being wholly defined by their disability. In addition to being philosophically sound, these placements are also highly cost effective. Because services are being provided by an independent contractor who is paid a stipend, the overall costs are much lower than staffed residences providing similar services 24 hours a day, seven days a week with employees paid an hourly wage. Additionally, the system avoids the substantial additional cost associated with overtime, benefit packages, mileage reimbursement, and etc.

As with DSPs, current demand for EFC providers is high. This demand is exacerbated by the fact that our system now competes with several other service systems for such providers; the foster and elder care systems are two such examples. Over the years, to fill the demand for EFC providers, the developmental services system has recruited a significant number of DSPs and other employees for the many service agencies because these individuals possess significant insight into the needs of those receiving developmental services. Many EFC situations have evolved into natural, sincere, caring and enduring relationships. The single largest challenge in continuing the use and expansion of the EFC model in NH is that most of those interested in becoming an EFC provider simply cannot afford to sacrifice access to certain employee benefits, the most critical of which is health insurance. The EFC model is crucial to the services provided in NH, without additional supports for this classification of providers, NH will be unable to sustain the current level of cost effectiveness in service provision.

Currently, there are approximately 800 EFC providers within the NH developmental services system. This number is expected to increase to approximately 895 as a result of Wait List funding. Results from the EFC Provider Survey indicated that 58% of current EFC providers do not have access to health insurance (either through a spouse, domestic partner or private pay arrangement). Seventy percent (70%) of EFC providers responding rated access to health and other benefits as the primary way to improve their role as an EFC provider. This lack of access to quality health insurance is a major recruitment barrier for EFC providers. Continuing in this fashion can be expected to result in both increased challenges in recruiting new EFC providers as well as the potential loss of a significant number of those already providing services. The EFC Survey data indicate that approximately 464 current EFC providers and 519 by the end of FY 2010 (accounting for those who will receive Wait List funds) will have no health insurance. Were health insurance to be made available, a significant number of competent DSPs and others would likely begin to view the EFC role as a viable option for themselves. Additionally, an increase in EFC providers may result in fewer placements having to be made in more costly staffed settings for the system.

The Committee consulted health insurance professionals to provide guidance and information relative to the current cost of health insurance in NH in an effort to develop an estimated cost for a recommendation relative to EFC providers. The Committee learned that single person health insurance policies in NH are priced based on two factors: age and sex. The majority of EFC providers in NH are female. The 2006 US Census Bureau data indicate that the

median age for NH residents is 39.3 years; information the Committee has received indicates that the average age of an EFC provider is somewhat older at approximately 46 years. The following table outlines monthly cost estimates for Harvard Pilgrim Health Insurance plans in NH with rates effective January 1, 2008.

	Sample Health Insurance Single Plan Costs		
Age	**Plan A**	**Plan B**	**Plan C**
25	$427	$388	$338
30	$517	$469	$408
35	$561	$510	$444
40	$729	$663	$678
45	$873	$793	$691
50	$873	$793	$691
55	$873	$793	$691

The Committee suggests the following relative to health insurance for EFC providers.

COMMITTEE RECOMMENDATION 3:

The New Hampshire Legislature should appropriate funding to reimburse one hundred percent (100%) of the cost of coverage for a single person health care plan (not to exceed the cost of the average of the three largest NH plans for a 45 year-old female) for Enhanced Family Care Providers. Such plans shall be purchased individually by the EFC provider and reimbursement will be offered based on documentation of valid health insurance coverage.

Cost Estimate to Provide Health Insurance to EFC Providers:

- 519 EFC providers estimated to be without health insurance coverage by 2011.
- Approximate age of EFC providers of 45 years.
- Average monthly cost of health insurance plans at 45 years of age: $785.
- $785. x 519 (EFCs) x 12 (months) = $4,888,980. total funds
- $4,888,980 x 50% (GF rate) = $2,444,490. total GFs

Availability of College Tuition

Thirty-six percent (36%) of DSP Survey respondents indicated that the lack of opportunities for advancement was second most likely reason for DSPs to leave their job and 18% EFC providers surveyed expressed a desire for increased access to formal education. It is likely that both of these groups would access continuing education in higher numbers if completion of professional development programs were used as a mechanism to increase compensation.

To both attract and retain area and vendor agency staff who are qualified and competent to perform their jobs appropriately, the Committee researched available educational and professional development opportunities. Beginning in the early 1990s, the Bureau of

Developmental Services has supported scholarships for courses leading to a Certificate in Human Services or Community Social Service for those affiliated with an area or vendor agency through a Memoranda of Agreement (MOA) with the NH Technical College. Scholarships pay the full tuition for each course in the certificate program. Courses are offered at locations throughout the state. The MOA makes available $74,000 in annual scholarship funding. In FY 2007, 90 students were supported to take courses; historically, all funds have been fully utilized by eligible students.

Cost Estimate to Provide Expanded Opportunities for Professional Development:

- 1,685 (FTEs) x 36% (number of DSPs indicating a desire for advancement opportunities) = 607
- 895 (EFC providers) x 18% (indicating a desire for access to formal education) = 161
- 607 (DSPs) + 161 (EFCs) = 768
- $74,700 (MOA) / 90 (students) = $830 per student
- $830 (per student) x 768 (DSPs and EFCs) = $637,250 total estimated cost

COMMITTEE RECOMMENDATION 4:

The New Hampshire Legislature shall appropriate funding to increase scholarship funds to $600,000 annually toward reimbursement for approved human services courses or degree programs to be used at any accredited educational setting including e-learning.

The Committee also investigated current expectations relative to in-service training. While 79% of DSPs responding to the survey indicated their orientation and training was "good" or "excellent", only 60% felt similarly about other training opportunities. Additionally, the same percentage of DSPs that indicated they would potentially leave their position due to challenges with those they serve (10%) also indicated that training is inadequate. This would seem a natural opportunity to provide additional job training/skills development to retain those DSPs who have already displayed an interest in this field as a profession. Additionally, Family Survey results show that families of individuals with developmental disabilities feel strongly that basic training for DSPs should include the following areas: Medical Information - 46%; Behavioral Intervention - 77%; Community Inclusion - 67%; Ethics Issues - 33%.

COMMITTEE RECOMMENDATION 5:

A committee should be charged with reviewing and selecting a comprehensive curriculum for in-service training of DSPs as well as a mechanism for awarding certification to individuals completing training and demonstrating competency as well as making recommendations for DSPs salary increases following such certification.

Mileage Reimbursement

A focus group discussion conducted at the 2007 DSP Conference revealed that reimbursement rates for mileage while transporting individuals receiving services varied significantly. Anecdotal reports ranged from $0.20 per mile up to and including the current Federal Mileage Reimbursement Rate of $0.485. Because community integration and access to community-based services is a central tenet of the NH Developmental Services System, transportation costs should be fully reimbursed to those implementing those efforts.

COMMITTEE RECOMMENDATION 6:

The New Hampshire Legislature should appropriate funding for mileage reimbursement at the Privately Owned Vehicle Reimbursement Rate. (Amount to be determined through additional data collection from agencies relative to miles reimbursed and current rates.)

Enhanced Profile for a Career as a DSP

COMMITTEE RECOMMENDATION 7:

Finally, the Committee believes that in order to attract new individuals to the profession, the State of NH should consider hiring a public relations firm to produce a public service announcement, ideally featuring the Governor in an effort to attract people to a career as a DSP. The announcement should highlight the rewarding aspects of the profession, such as the ability to make a difference in the lives of others. The Governor's endorsement would present this as a valuable and honorable profession and help in re-shaping the public's perception of this work.

References

[i] The Supply of Direct Support Professionals Serving Individuals with Intellectual Disabilities and Other Developmental Disabilities: Report to Congress, US Department of Health and Human Services, January 2006. p4

[ii] Eldercare in New Hampshire, Labor Market Trends and their Implications, March 2006, Appendix C: Occupations with Comparable Wages. Page 14.

[iii]Eldercare in New Hampshire, Labor Market Trends and their Implications, March 2006, Appendix C: Occupations with Comparable Wages. Pages 22-23.

[iv] The Supply of Direct Support Professionals Serving Individuals with Intellectual Disabilities and Other Developmental Disabilities: Report to Congress, US Department of Health and Human Services, January 2006. p4

[v] U.S. Department of Health and Human Services, The Supply of Direct Support Professionals Serving Individuals with Intellectual Disabilities and Other Developmental Disabilities: Report to Congress January 2006.

[vi] Direct Support Professional Make a Difference. Shouldn't They Also Ma a Living? American Network of Community Options and Resources. www.ANCOR.org.

[vii] Quality Support 2005 An Agenda to Strengthen Developmental Disabilities Direct Support Professional Workforce in Illinois.

[viii] New Jersey Direct Support Professional Workforce Development Coalition, Career Path Forum, Summary Report and Next Steps, May 25, 2006. U.S. Department of Health and Human Services, The Supply of Direct Support Professionals Serving Individuals with Intellectual Disabilities and Other Developmental Disabilities: Report to Congress January 2006. p19

[ix] U.S. Department of Health and Human Services, The Supply of Direct Support Professionals Serving Individuals with Intellectual Disabilities and Other Developmental Disabilities: Report to Congress January 2006. p19

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*FICA: 7.65%; SUTA 1%; Worker's Comp. 5%
**Life and Disability Insurances 1%; 403B contributions 3%.