



## Direct Support Professionals (DSPs)

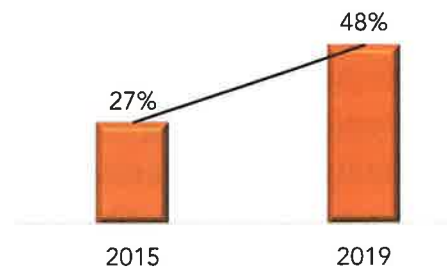
DSPs provide mental health and disability supports and services. They provide supports to Iowans to live, learn and work in their communities, not institutions. Some of the supports include cooking, cleaning, budgeting, shopping, banking, job development and coaching, transportation and community activities.

DSPs support over 160,000 Iowans.

## 99% of Disability Service Providers Have DSP Vacancies

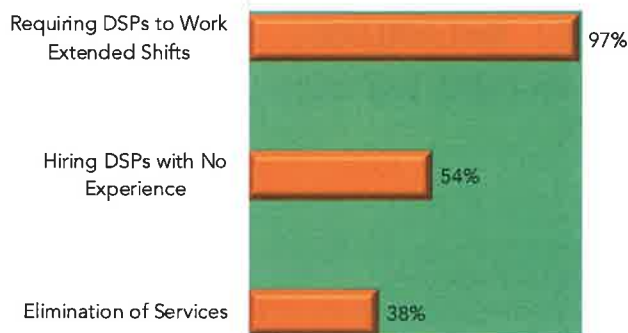
Current DSP turnover has nearly doubled since 2015.

In August 2019, IACP conducted a survey of its 131 members; Community-Based Mental Health & Disability Service Providers – 71% response rate.



## Impact

### Strategies Commonly Used to Address Workforce Crisis By Service Providers



- Unable to accept referrals due to a lack of staff capacity leading to costly alternative placements.
- Negative consequences to people being served of workforce shortage:
  - Diminished quality of service
  - Reduced progress to individual goals
  - Exposure to possible harm
  - Decreased access to individualized community services

Report to the President 2017, Presidents Committee for People with Intellectual Disability

Average Starting Wage<sup>1</sup>  
 \$11.28 Urban DSP  
 \$10.94 Rural DSP

Average Wage<sup>1</sup>  
 \$12.90 Urban DSP  
 \$12.52 Rural DSP

41% of DSPs Have  
 Been Employed for  
 Less Than Two Years

## Raising Wages is the First Step in Addressing the DSP Workforce Crisis

### Why

- Studies found employee morale and work ethic increase when employees believe they are paid a fair wage. Higher wages result in better physical and mental health and reduced “decision fatigue” leading to higher productivity.
- Higher wages lead to lower employee turnover.

### Results

It is estimated the cost of replacing low-wage workers is equal to about 16% of the employee’s annual salary.

- Reduced turnover recruiting costs
- Reduced training costs related turnover
- Reduced absenteeism
- **Increase in effective and consistent support**

### Amount to Raise DSP Hourly Wage

Request	State	Federal	Total
\$4	\$63,880,960	\$102,519,040	\$166,400,000
\$3	\$47,910,720	\$76,889,280	\$124,800,000
\$2	\$31,940,480	\$51,259,520	\$83,200,000
\$1	\$15,970,240	\$25,629,760	\$41,600,000

Dollar Amounts Listed Above are Based on FMAP SFY’2021 Rates for 20,000 DSPs

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<sup>1</sup>Urban is defined by the top population centers in Iowa: Polk, Linn, Scott, Woodbury, Johnson, Plymouth, Story, Dallas, Warren and Pottawattamie counties. The other 89 counties are defined as rural.



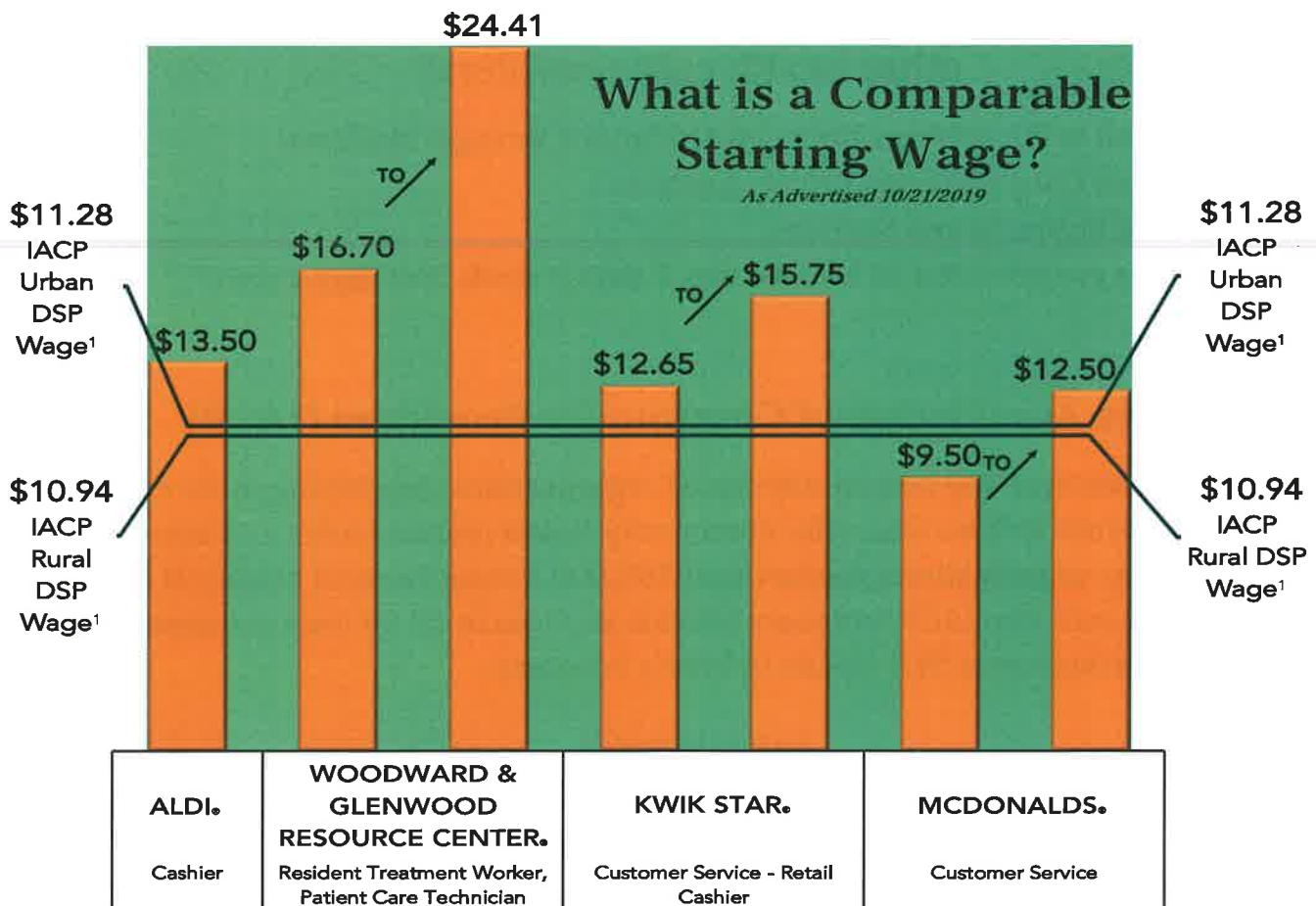
## Which Medicaid Programs Would Be Impacted?

- Habilitation
- Home and Community-Based Services/Intellectual Disabilities (HCBS/ID)
- Home and Community-Based Services/Brain Injury (HCBS/BI)
- Intermediate Care Facility/Intellectual Disabilities (ICF/ID)

## How do we ensure the funding goes to DSPs?

IACP recommends a 10% rate increase in the above services with a 75% pass-through for wages going to DSPs directly supporting individuals in services. 25% at employer discretion to cover FICA, benefits, administrative and overhead costs.

An \$4/hour increase would raise the average DSP wage by \$3.00



## What Have Other States Done to Support DSPs?

State	Implementation Years	Method	Impact
Indiana	2018-2019	5% increase to rates	Majority passed through to wages
Ohio	2020-2021	HCBS rate increase	19% increase in wages
Wisconsin	2018-2019 2019-2020	3% increase to rates 3% increase to rates	Majority passed through to wages
Kansas	2018-2020	8.5% increase to rates	No direct pass-through requirement, state reports vast majority utilized to increase wages

### Why separate Iowa's community-based service providers from other health care providers?

- Nearly all of the services provided are funded through Medicaid
- Very little third party and private payment
- Lifelong Supports and Services
- Services are provided 24 hours a day, 7 days a week, 365 days a year

### Iowa Association of Community Providers (IACP)

IACP represents over 130 community-based organizations, employing more than 30,000 employees in Iowa who offer community-based mental health and disability services. Those organizations support over 160,000 Iowans in need of mental health and disability services. IACP members provide services in all 99 Iowa counties and annually contribute over \$1.3 billion to Iowa's economy.

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