



Services by the Numbers

For FY’18, the District of Columbia has targeted funding for 1772 persons with intellectual or developmental disabilities receiving Medicaid Waiver services. In addition, the District budgets for approximately 335 persons will receive supports at an Intermediate Care Facilities (ICFIDD).

Each member of the DC Coalition of Disability Service Providers delivers supports to persons with intellectual or developmental disabilities as a Medicaid Service provider or at an ICFIDD.

The Department of Disability Services (DDS) and the Department of Health Care Financing (DHCF) project the funding for the District’s service providers.

- In FY’18, of the \$168.9M in total proposed budget in DDS, \$99.1M was set aside for provider supports reimbursements.
- In FY’18 ICF services DHCF reduced ICF funding on a per person basis in FY’18.
- About 30% of the total budget for Medicaid services is funded by the District with the remaining 70% covered by the present Federal share. Nationally, the Federal share range is between 50% and 71.8% (WV).
- National Core Indicators 2015 Staff Stability Survey found the national turnover rate for direct support professionals to be 57% within one (1) year of hire.

Top 3 Legislative Issues for 2018

Issue 1 – The (Very Near) Future Funding and Recruitment Dilemma for Services

By 2020, DC’s Minimum Wage will rise to \$15/hour.

Year	Living Wage	Increase Versus Prior Year	Minimum Wage on 7/1/xx	Differential b/t Min & Living Wage
2013	\$13.40/hr		\$8.25/hr	+5.15/hr
2014	\$13.60/hr	.20/hr	\$9.50/hr	+4.10/hr
2015	\$13.80/hr	.20/hr	\$10.50/hr	+3.30/hr
2016	\$13.85/hr	.05/hr	\$11.50/hr	+2.35/hr
2017	\$13.95/hr	.10/hr	\$12.50/hr	+1.45/hr
2018	\$14.20/hr	.25/hr	Proj \$13.25/hr	+.95/hr
2019	TBD			
2020	\$15.00/hr		Proj \$15.00/hr	0

Over the last five years, the Living wage has increased only \$.80/hour in total, pursuant to the formula established in D.C. Code § 2-220.03(c). The Living Wage will need to rise by an additional \$.80/hr over a two year span to simply match the DC Minimum Wage level by 2020.

With the coming \$15/hr minimum wage for all District employees, the DC Coalition is concerned about the *additional funding resources that will be needed to operationalize an increase of 80 cents/hr over the next two years*. Because DC’s individualized human service supports are driven by the person served, the largest single component of the cost of services is allocated to funding for Direct Support Personnel wages

and benefits. The provider community cautions that the increase over the next two fiscal years for every single DSP-driven service for both ICF and DD waiver supports will have a significant cost impact. We urge the Council to support the budgetary increase that will be required for DDS and DHCF to cover the increased wage component for the direct support professionals who serve as the base unit for virtually all of the funding formulae in the human services field. The continuing possibility of a per capita cap in Federal match dollars in 2018 could mean the District would need to be prepared to cover the entirety of the costs related to the increase to \$15/hr minimum wage.

Equally note-worthy is the *decreasing differential between the Living Wage and the Minimum Wage* over the last six years as calculated in the last column of the chart. Nationally, providers experience a turnover ratio of about 57%. The advantages that the provider industry enjoyed in 2013 - when there was a \$5.15/hr wage differential – have eroded to \$1.70/hr differential at present which will drop to less than \$1/hr by July 1st. This decreasing wage differential will make the recruitment, hiring, training, and retention of direct support professionals even more difficult and is a matter that we would like to discuss with the members of the Council as we seek potential solutions.

Issue 2 – Funding Support for Implementation of Universal Paid Leave Act

In order to reconcile the costs of implementation of the Universal Paid Leave Act of 2016, we must express the absolute necessity for adequate Medicaid funding within the reimbursement methodologies administered by both DHCF and DDS. In our field, at least 70% of our expenses are allocated to personnel costs for the direct support staff who we employ to support those with I/DD. The individualized services we provide must be delivered by competent, trained staff who are able to benefit the lives of those individuals receiving supports.

To support the benefits contemplated by the Universal Paid Leave Act of 2016, the DC provider community will need not only the legislatively required percentage increase to the labor components of our funding from DDS and DHCF in FY19, data suggests that we will need an additional 1.5% to 3% increase in funding related to labor components to account for the overtime, individualized training costs, and person-centered services provided.

Issue 3 – Reduction of Wage Theft Exposure

The Wage Theft Act was designed to enhance remedies, fines, administrative penalties, and enforcement of wage payment and collection laws by increasing the accountability of employers. However, it does not appear that the operational aspects of the District's funding practice for the IDD provider community was contemplated when providers were not excluded from the scope of the Wage Theft Act.

Service Providers are funded by DHCF and DDS. Under the Wage Theft statutes, service providers are responsible for paying staff at the prevailing wage even though the District may not have funded a reimbursement rate that accounts for the increase, thereby creating a wage payment liability for the provider for an occurrence that is entirely outside of the provider's control. If the Living Wage or Minimum Wage increases, there is no vehicle within the existing system that ensures that either funding or actual payment from the District will be issued to a provider to cover the cost of the increase. Instead, providers must wait for the government to revise rates, convey the revisions to the governmental financial officers, change the payment codes on billing and then actually fund at the new rate. There are no corresponding statutory requirements upon DHCF or DDS to issue payment for services so that wages regulated by the Wage Theft Act will be funded in a timely manner.

Actual reimbursement for wages (or the potential payroll taxes which would fund Universal Paid Leave) must be paid - not pledged - by the District prior to any possible exposure under the Wage Theft Act. As a matter of fundamental fairness, Medicaid providers cannot be held responsible for fines, penalties and attorneys' fees for the delays occasioned by the District's delay in operationalizing payments.