

## **Protect People with IDD Through Viable Provider Rates**

### **HCS Waiver Program: A Successful Alternative to State Supported Living Centers (SSLCs)**

As demand for high cost institutions grew from the 1950s – 1980s, families and states successfully urged the federal government to authorize the Home and Community Services (HCS) Waiver program and allow states to offer less costly community services. As designed, the HCS program provides flexible services that accommodate changing needs over time, promotes quality of community life and helps families manage the lifelong responsibilities of supporting a loved one with significant disability. The Texas Home Living Waiver (TxHmL) program was added years later to provide mid-level services and serve as a bridge to more comprehensive services.

### **The Stability of the HCS & TxHmL Waiver Programs is in Jeopardy**

As a cost containment measure, HHSC is recommending a 21% rate cut to HCS and TxHmL Community First Choice (CFC) attendant and habilitation services (budget strategies A.3.1 and A.3.4).

HHSC officials indicate this 21% rate cut is justifiable because it equalizes the rate with lower rates in other programs. The lower rates in other programs are known to yield workforce shortages and high turnover. The proposed cuts to these services will have detrimental impact on the quality of care for people with intellectual disabilities and place them at risk of needing higher cost, residential placement.

Of note, the current rate of \$22.41/hour for attendant and habilitation services covers not only direct service worker wages, but other costs, including benefits, mileage, supervisory and quality assurance monitoring activities, recruitment and training costs, and professional liability.

### **REASONS WHY THE 21% RATE CUT WILL NOT ACHIEVE COST SAVINGS**

- The 21% rate cut for HCS and TxHmL attendant and habilitation rates targets a successful, cost effective service that prevents costly institutional care for people with intellectual disabilities;
- Designed to meet the distinct needs of people with intellectual disabilities, the HCS & TxHmL programs have enabled the state to stop building more institutions and substantially reduced the number of people who live out their lives in institutional care;
- The success of the HCS & TxHmL programs depends on a stable, direct services workforce as the means to keep people out of higher cost residential programs;
- Inadequate direct service worker wages lead to higher turnover of direct service workers, lack of continuity of care, higher risk of abuse and neglect, and increased demand on group home or institutional care;
- The reimbursement rate for HCS & TxHmL CFC attendant and habilitation services is deliberately structured to keep turnover rates low and maintain continuity of care: allowing providers to attract workers with the nature, experience, and skills necessary to effectively support people with intellectual disabilities.

## WHY ARE DIRECT SERVICE WORKERS SO IMPORTANT FOR PEOPLE WITH INTELLECTUAL DISABILITIES?

**Vulnerability to mental illness.** As cited in the 2015 Texas Statewide Behavioral Health Strategic Plan for Fiscal Years 2017 – 2021 (p. 27), individuals with intellectual disabilities are **more vulnerable to mental illness** than the general population. Although prevalence estimates vary, with citations as high as 70%, the National Association for the Dually Diagnosed reports that many professionals have adopted an estimate of 30 – 35% prevalence of psychiatric disorders among people with intellectual and developmental disabilities.

**Vulnerability to abuse, neglect, and exploitation.** Additionally, numerous studies that people with intellectual disabilities are at **high risk of abuse, neglect, and exploitation**. A conversation with families, teachers, and other professionals who know and work with people with intellectual disabilities is all it takes to understand the scope of this risk. An individual with an intellectual disability is more likely to be isolated, dependent on a small circle of friends or caregivers, and perceived as an easy target. All of these factors add up to higher vulnerability for physical and sexual abuse. Compounding this challenge is the limited speaking ability that often accompanies an intellectual disability, creating a circumstance in which the individual has no way to talk about, describe, or report abuse.

None of these factors are a surprise to HCS and TxHmL providers who have supported people with intellectual disabilities in community for many years, but **decision-makers may not understand the important connection between a stable workforce, including direct service workers, and the provider's to successfully support a person with an intellectual disability in community.**

*In fact, with the detrimental impact on direct service workers, the HHSC recommendation to cut the attendant and habilitation rates in the HCS & TxHmL programs runs counter to the stated goals of the state to more effectively support the unmet mental health needs of individuals with intellectual disabilities.*

Data in the table that follows is drawn directly from cost data included in Rider-directed state reports to the Legislature. A review of the data readily depicts the cost effectiveness of the comprehensive HCS Program (All Settings – including residential, host home and CFC supported home living). In 2015 the average monthly cost per person in the HCS Program) was \$3,522.26. The monthly cost per person represents the average payments paid by the state to HCS Providers per person served. That same year, the average monthly cost per person in an SSLC was \$17,637.46.

However, the real story—when it comes to the HHSC recommended 21% attendant and habilitation rate cut to the HCS program— is the fact that in 2005 the average monthly cost (average payments paid by the state to HCS Providers) per person in the HCS Program was \$3,621.08 and in 2015 the average monthly cost was \$3,522.26, a **3% reduction in cost to the state** over this 10 year span.

Defying the trend in rising healthcare costs, the HCS Program is clearly one of the most cost-effective investments the Legislature could make, in large measure due to the creative development of alternatives to group home settings and the important function of direct service workers. Yet this cost effective alternative to expensive institutional care is the very program HHSC recommends cutting.

In the final analysis, HHSC projects this HCS & TxHmL CFC attendant and habilitation rate cut will save the state \$24.2 million GR *in payments for this service*, but the unintended consequences of this action would place in jeopardy the safety and well-being of people with intellectual disabilities and set the stage for higher demand on more costly residential and institutional care.

IDD SERVICES by PROGRAM: AVERAGE MONTHLY COSTS (PER PERSON SERVED)<sup>1</sup>

| Rider #                                       | SSLCs       | ICF/IID    | HCS All Settings <sup>2</sup> | TxHmL    |
|---|-------------|------------|-------------------------------|----------|
| <b>FY2016 Enrollees<br/>(average monthly)</b> | 3,083       | 4,984      | 26,624                        | 6,822    |
| <b>Rider 21<br/>FY 2015 Data</b>              | \$17,637.46 | \$4,209.81 | <b>\$3,522.26</b>             | \$913.81 |
| <b>Rider 23<br/>FY 2013 Data</b>              | \$14,143.81 | \$4,225.45 | \$3,472.29                    | \$872.61 |
| <b>Rider 28<br/>FY 2011 Data</b>              | \$13,119.84 | \$4,466.49 | \$3,465.31                    | \$678.94 |
| <b>Rider 31<br/>FY 2009 Data</b>              | \$9,906.71  | \$4,395.76 | \$3,443.06                    | \$594.95 |
| <b>Rider 40<br/>FY 2007 Data</b>              | \$343.39    | \$137.27   | \$105.99                      | \$14.94  |
| <b>Rider 44<br/>FY 2005 Data</b>              | \$9,292.20  | \$3,815.58 | <b>\$3,621.08</b>             | \$281.11 |

<sup>1</sup> Rider 40 (FY2007) reported daily costs.

<sup>2</sup> HCS All Settings includes costs for persons served across the entire service array (i.e., residential, host home and CFC attendant and habilitation services).