Answers to Questions from the HEAR. SHARE. ACT. Lunch & Learn
October 17, 2023
Topic: Help Wanted! The I/DD Workforce Crisis - Part 2

These are answers to questions asked by webinar participants but were not answered during the webinar due to time constraints. The answers are provided by Jennifer Mahan, Autism Society of North Carolina who presented during the webinar.

Question: I asked my provider about the increase in DSP pay and they told me legislation was holding it up and their max pay is still $14/hour. Is this true?

Answer: The budget for 2023-2004 passed in late Sept/early October. It typically takes about 100 days for the budget to be "certified" and for funds to reach state agencies so they can begin the process of adjusting funding for state government programs, including Medicaid and services overseen by the LME-MCOs. The NC Department of Health and Human Services, NC Department of Health benefits will have to determine how much of a rate increase the state budget funding will allow, then they will need to adjust the per member per month amount of funding for the LME-MCOs, and in some cases the Standard Medicaid Plans as well. Once that funding is adjusted, LME-MCOs (or Standard Plans in some cases) can adjust the rates they pay to providers. This is not a quick process, and we expect that rates won't change until next calendar year. So yes, for now, DSP wages are likely still set at the amount they have been all year (based on the type of service, the LME-MCO).

Question: With the new rules beginning Nov 1, family members are only to provide paid support for 56 hours a week. We have been looking for additional staff from 2 agencies for way over a year with no avail. Who will be responsible for providing the additional hours needed to meet her needs? My husband and I are able to provide the lacking hours, but starting November 1st we will not be able to provide these paid supports.

Answer: COVID/Public Health Emergency regulations are going away, and NC is allowing for families to provide paid supports, but as before COVID, NC limits the number of hours relatives can be paid and the circumstances under which they can be paid to provide supports. If you are asking who will provide those hours – this is exactly the issue that Meet the Need is advocating for. There are thousands of families out there in the same situation. Services are authorized, but they cannot find a person to deliver the supports. My answer is the same as it has been over the last decade: continuing to advocate for rates that are adjusted based on inflation and an elimination of the waiting list for services.

Families/Individuals do have the option of self-directing their services. Under self-direction, the family/guardian acts as the provider, hiring and paying staff directly and acting in the role as a private provider would providing all the oversight for service delivery to that family member. Because the family/guardian is doing the administrative work that the provider would do, employing DSPs, overseeing the service plan, documentation, etc. they can pay whatever wage (often higher) that the rate for the

service allow, often higher than a private provider would. Please contact your local LME-MCO to ask about the Self-Directed Services option.

Question: There are questions about how can we assure that the increase in rates will go to DSP/DSW wages and not something else. What are your thoughts about that?

Answer: I shared some of my thoughts during the presentation about this issue. It's my opinion that because health care in this country currently operates in a free market economic system, it is very difficult to put artificial limits on how the rate paid to providers can be divided up between wages paid to staff who provide services, payroll taxes, and all other costs that providers incur in the process of delivering services. Why is this? Why can't we just demand that rate increases all go to wage increases?

1) Every provider has different costs, so simply saying that X% has to go to wages and X% to administrative overhead will affect every provider differently. Some will not be able to meet that threshold and still remain a viable, profitable company. Or in the case of nonprofits, ensure that their costs don't exceed their revenue. This is what it means for health care to be part of the free market economy – providers are allowed to make money; in some cases they have to in order to meet shareholder targets.
2) As part of the free market, providers already have an incentive to have as much of the rate increase as possible go to paying DSPs and those who deliver services: if they cannot get their staff closer to *market value wages,* they cannot deliver services. They will have fewer and fewer employees to deliver care, will deliver fewer services, and could eventually go under (or at least stop doing some types of services). **THIS is their incentive to raise wages in the current economy – they have lots of competition for employees and they are going to want to attract and retain as many DSPs as possible.**
3) Tracking an % increase of a rate that is paid and how much of it is going to which employee, which service, etc. is actually very difficult. No, not impossible, but very challenging. It's not hard if we are talking about one employee delivering one service, but what happens when that provider has a dozen service lines, with varying rate increases, 1,000 employees, all being paid different wages and different wage percentages because they started at different times, have different work experience, or are dealing with different types of clients? What about the DSP working with a single client, who has three funding streams and five types of services? And exactly how does a percent of a percent get tracked and who at the provider agency is being paid to do so? Providers are already struggling to pay for the costs associated with software for payroll, pre-authorization/authorization, billing, and client service plan documentation. These functions are often all done by different software, sometimes even different payors to the same company have different software systems, none of which

interface together. Tracking wage increases has and will increase administrative costs to the provider.

I realize that this is not the answer everyone wants to hear. There has been a push nationally and at the state level to require % of rates to go to DSP wages, but state and federal regulators, Congress and state legislatures have been very reluctant to implement a requirement for all the reasons I state above. I think that as advocates we have to be very careful about the unintended consequences of this: will the same providers be willing or even able to operate under those restrictions or will they simply stop providing the service? Should we focus instead on making sure that rates, and those wages, keep up with the economy?

In addition, as I noted in my answer to the second question above, there is the option in NC for Families/Individuals to self-direct their services. Under self-direction, the family/guardian acts as the provider, hiring and paying staff directly and acting in the role as a private provider would providing all the oversight for service delivery to that family member. Because the family/guardian is doing the administrative work that the provider would do, employing DSPs, overseeing the service plan, documentation, etc. they can pay whatever wage (often higher) that the rate for the service allow, often higher than a private provider would. Please contact your LME-MCO to ask about the Self-Directed Services option.