



Providers offering supports to people with disabilities

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ANCOR Hails Reps. Terry and Capps for Landmark Bi-Partisan Legislation: Bill to Buoy Wages for Long-Term Support Workers

(Washington, DC – September 21, 2004) – Landmark legislation to amend Title XIX of the Social Security Act was announced today by U.S. Representatives Lee Terry (R-NE) and Lois Capps (D-CA) during the American Network of Community Options and Resources (ANCOR) annual Government Activities Seminar. *The Direct Support Professional Fairness and Security Act* is bi-partisan legislation designed to provide funds to states to enable them to increase the inadequate wages paid to targeted direct support professionals (DSP) who, under the Medicaid program, provide services for individuals with disabilities. This legislation acknowledges, for the first time, the insufficient wages paid to a group of our nation's quiet heroes: Direct Support Professionals.

The legislation is the outcome of the ANCOR National Advocacy Campaign's efforts to improve wages and therefore the lives of more than 310,000 direct support professionals employed by its members. "Wages matter and this bill takes a landmark step forward in raising the issue nationally!" exclaimed Dr. Renee Pietrangelo, CEO of ANCOR. All of us at ANCOR appreciate the efforts of Representatives Terry and Capps in taking this major step in Congress. ANCOR believes that the introduction of *The Direct Support Professional Fairness and Security Act* prompts the serious national discussion and action that this issue warrants."

Stipulations

The Direct Support Professional Fairness and Security Act would be an option to states to:

- Provide a financial means to increase wages and wage-related costs for specific direct support professionals.
- Eliminate the wage gap and assure at least equal wages paid to private employees as those paid to public employees in a state.
- Receive enhanced federal medical assistance percentage (FMAP) for five-years to increase wages.
- Provide for annual indexing of wages at the end of the five-year period.
- Target the increased FMAP to cover direct support professionals working for private employers who provide supports and services to people with disabilities.

To qualify, states must submit a five-year plan identifying means of increasing wages to targeted direct support professionals and have a commitment to sustain wages following this period. Following the five-year plan period, wages would be indexed annually to account for inflation (EPI or medical inflation rates).

A 21st Century Issue

There are more than 54 million Americans with disabilities—eight million of whom have mental retardation and other developmental disabilities—with nearly 14 million requiring long-term supports and services. These supports include personal assistance to meet the individual's personal care and hygiene needs, habilitation,

transportation, employment, meal preparation, housekeeping and other home management services. One of the biggest challenges facing the United States in the 21st Century is assuring that individuals who have disabilities have the quality supports they need to lead productive and meaningful lives in the community. Yet, private providers who employ direct support professionals face turnover rates of between 40 and 77 percent; rely on fixed public funding to pay wages and benefits; and face a recruitment and retention crisis that threatens the entire stability and quality of our support system for people with disabilities.

“This crisis is real and it will worsen unless something is done to turn the tide. It is a real issue affecting real people in everyone’s community—and it is likely to affect all of us,” declared Dr. Pietrangelo. This crisis is a result of several factors, including:

- Increased demand for long-term supports and services.
- A traditional labor supply not able to keep pace with demand.
- Jobs that cannot compete within today’s labor market.

Economic basics

The workers who provide these intimate supports are known by many job titles—but one thing in common is shared by all of them. They are the hands, voice and face of long-term supports and the human relationship established between the individual and the worker is at the very core of our nation’s formal long-term supports system. A majority of these workers are female and often the sole breadwinner of their household. Although employed, the wages they earn keep many families impoverished.

- Over the past decade, both the dollar amount and percentage increase in hourly wage rates for these workers are far below that of comparable job categories as well as the national minimum wage.
- For example, wages for Personal and Home Care Aides—the Department of Labor’s occupational category that is the proxy for direct support professionals—increased only \$0.82 from 1992-2000 versus \$3.16 and \$4.11 for public direct support workers and fast food workers respectively.
- A 2003 national report found that the overall average wage for direct support professionals employed by private providers of community services for persons with mental retardation and developmental disabilities was \$8.68 per hour, while the average reported wage for state workers was \$11.76 per hour.
- Unlike other sectors of the private market, the formal long-term supports system is almost entirely dependent upon public financing—particularly Medicaid funding—that not only underfunds the true costs of services, but also varies considerably. In addition, private providers cannot pass along the cost of increasing the wages and benefits for their direct support professionals to their customers—people with disabilities. And, states have faced their worst economic conditions in decades, reducing their ability to add to Medicaid funding.

When introducing Congressman Terry during the seminar today, Mosaic of Omaha CEO David Jacox declared that “Without his leadership, we would not have a vehicle available to rally our grassroots network to effect public policy in Congress. The crisis we face with recruitment, training and retention of direct support professionals is our most current pressing issue.” Ron Cohen, executive director of United Cerebral Palsy of Los Angeles spoke of Congresswoman Capps’ when saying, “All of us are excited by her leadership in introducing legislation that finally brings to the forefront the inadequate wages for hundreds of thousands of direct support professionals who help to enhance the lives of people with severe disabilities every single day! We are grateful for her continued investment in the quality of the lives of people with disabilities.”

ANCOR represents and advocates on behalf of the more than 850 providers of services and supports for 385,000 Americans with disabilities. To get more information on the ANCOR National Advocacy Campaign, visit www.supportnac.org and sign the petition to urge state officials to constructively address the issues of direct support staff wages, recruitment and retention. To view the study “The Growing Crisis in Recruiting and Retaining the Direct Support Workforce,” visit http://www.ancor.org/2004/about/Activities/Final-Report_Revised121602.pdf.