COPA

Coalition Of Provider Associations

Members:

Alliance of Long Island Agencies, Inc.
Seth Stein, Esq.
Executive Director &
General Counsel

Cerebral Palsy Associations of New York State
Susan Constantino
President & CEO

Developmental Disabilities Alliance of WNY
Rhonda Frederick
President

InterAgency Council of Developmental Disabilities, Inc.
Peter Pierri
Executive Director

New York Association of Emerging & Multicultural Providers, Inc.
Yvette Watts
Executive Director

TESTIMONY SUBMITTED TO THE NEW YORK STATE LEGISLATURE

Joint Hearing of the Senate Finance and Assembly Ways and Means Committees

2016-2017 Executive Budget
Mental Hygiene

Presented by
Barbara Crosier
Vice President, Government Relations
Cerebral Palsy Associations of NYS

Winifred Schiff
Associate Executive Director for Legislative Affairs
The InterAgency Council of DD Agencies

Margaret Raustiala
Coordinator
The Alliance of Long Island Agencies

JR Drexelius
Government Affairs Counsel
Developmental Disabilities Alliance of Western New York

For the Coalition of Provider Associations

February 3, 2016

Good afternoon Committee Chairs Young, Farrell, Ortt, and Gunther, members of the Senate Finance Committee, Assembly Ways and Means Committee, and the Mental Health and Developmental Disability Committees. Thank you for your ongoing support for people with Intellectual and Developmental Disabilities (I/DD) and for the opportunity to speak with you today regarding Governor Cuomo's 2016-2017 budget proposal.

I am Barbara Crosier, for the Cerebral Palsy Associations of New York State (CP of NYS), and I am here with Wini Schiff of the InterAgency Council of Developmental Disabilities Agencies, Margaret Raustiala of the Alliance of Long Island Agencies, and JR Drexelius of the Developmental Disabilities Alliance of Western New York. We are here today on behalf of the Coalition of Provider Associations, or COPA.

COPA was recently formed by five associations – Alliance of Long Island Agencies, Inc. (ALIA), Cerebral Palsy Associations of New York State (CP OF NYS), the Developmental Disabilities Alliance of Western New York (DDAWNY), the InterAgency Council of Developmental Disabilities Agencies (IAC), and the New York Association of Emerging and Multicultural Providers (NYAEMP) – because people with disabilities, their families, and the organizations that support them are increasingly frustrated by over $600 million in State funding cuts over the past five years and the lack of investment in our workforce and supports and services. These cuts have caused layoffs of staff, the reduction and elimination of supports and services, and long delays for those seeking entry into programs. These actions create serious barriers for some of New York's most vulnerable citizens.

COPA represents over 248 not-for-profit agencies across New York State that provide supports and services to hundreds of thousands of New Yorkers with I/DD and employ more than 120,000 dedicated professionals with combined annual operating budgets of nearly $5.2 billion.

On behalf of COPA, we seek the Legislature's support in working with us to prevent any further erosion of supports and services to individuals with I/DD and their families that New York has had such a proud history of providing. We have come too far as a State to allow this and we must all continue to honor the promises made.

OPWDD BUDGET BACKGROUND

The overall Office for People With Developmental Disabilities (OPWDD) budget has remained flat over the past 5 years and is budgeted to be flat again in 2016-17, despite the fact that OPWDD services are almost exclusively funded by Medicaid. All of the Medicaid that is included in the Department of Health's Global Medicaid cap has grown approximately 3.7% per year over this same time period, or almost 23% during the same time that funding for supports and services for individuals with developmental disabilities has remain flat.

Although the OPWDD budget remains flat and there are no new cuts proposed for 2016-17, which we appreciate, during the first five years of the Cuomo Administration there were cuts of $259 million and an additional $121 million in cuts in the prior Administration. Additionally, the last inflationary increase for OPWDD not-for-profit providers was given in 2010-11, except for a targeted 4% increase given effective 1/1/15 (2%) for direct support staff; and 4/1/15 (2%), including clinicians. Therefore, lost inflationary increases over the previous five years, net the proposed 2016-17 COLA of 0.2% (two tenths of 1%) total $562 million. As a result, providers of supports and services for individuals with I/DD are facing continuing rising costs of providing services, a 66.6% minimum wage increase, a population that has more intense needs, the increasing age of parents and caregivers and a requirement that the system be "Transformed," all without any additional funding and at the same time that the current funding level has been reduced by almost a billion dollars (i.e., the cuts we just outlined).

MINIMUM WAGE

COPA is extremely supportive of increased wages for low paid workers – especially those providing direct supports to individuals with I/DD. However, we are bewildered as to how the State of New York could possibly uphold its statutory obligations to support individuals with I/DD when the Executive Budget's $15 minimum wage proposal provides no funding to increase the salaries of those providing direct support to individuals with I/DD. The Governor's proposal would increase the minimum wage in the upcoming State Fiscal Year by $3.00 per hour in New York City and $1.75 per hour throughout the rest of the state.

Unlike hospitals and other healthcare providers, those who support individuals with I/DD are almost exclusively funded through Medicaid with no alternative source of funding to increase wages. We cannot raise our prices or otherwise substantially increase our revenue, so an unfunded wage mandate means cutting staff, accepting less qualified applicants, reducing the amount of support we provide for each person, and/or facing insolvency.

Labor is by far the largest component of our budgets, with more than 80% of funding going directly to compensation for front-line staff that provide direct supports. Unlike other sectors where automation and use of technology may offer alternatives, the supports we provide require talented human beings.

Providers already face a workforce crisis, with some providers having direct care staff vacancy rates of up to 15 to 20 percent due to low wages and the challenging nature of our work. As a result we use millions of hours in overtime each year and many shifts are beginning to go unfilled. When the Governor accepted the Wage Board's recommendation to increase the minimum wage of fast food workers, a serious problem was exacerbated. We wholeheartedly support an increase in the minimum wage but we require adequate funding not only to bring our workers up to minimum wage but to keep pace with the salaries of low wage workers who are currently earning above the minimum wage so that the differential is not "compressed" or eliminated.

There is no safety net beyond not-for-profit providers. Of the 130,000 New Yorkers with I/DD supported by OPWDD, the large majority are supported by 100,000 direct support professionals and other support workers in our non-profit, community-based organizations.

We estimate the cost of complying with the minimum wage mandate and to keep pace with the salaries of low wage workers just above minimum to be $270 million (state and federal Medicaid shares) for the 2016-17 State Fiscal Year.

Additionally, all of the I/DD provider associations recently released a report – *"Supporting People with Developmental Disabilities: The Impact of Low Wages and the Minimum Wage Debate on the Direct Professionals Workforce"* – that outlines these issues in greater detail. A copy of that report is available online at (http://files.ctctcdn.com/78d0c1c4101/d7e096ad-e494-4510-a53f-7e96abd2b5a1.pdf).

DEVELOPMENT

COPA is acutely aware of the challenges facing New York State in allocating resources and balancing the needs and priorities of competing interests. The field of I/DD has done more than its share of belt tightening as described above. As a result, thousands of New Yorkers with I/DD are being denied supports or receiving only limited supports that do not fully meet their needs.

Therefore, after so many years of funding reductions, even the most optimistic allocation is woefully inadequate to meet the needs of the thousands waiting for community based services. The need for services including day, at home support, out of home residential and other services, far surpasses any funding amounts that the Executive has proposed, particularly for those who can no longer live safely with their families.

We believe OPWDD needs to maintain and continually update the residential registry and use web-based portals to permit families to update information.

We strongly believe that the needs of individuals with disabilities must be met with a wide range of choices for people with I/DD in where they live, work, and otherwise participate in the community.

We strongly support the inclusion of $15 million in the Executive proposal to support the expansion of affordable housing. Quality, affordable, accessible housing with the services and supports necessary to permit individuals with disabilities to interact with the community at large is essential. At the current time there is a critical need for additional supportive housing opportunities for persons with I/DD, and although this is a good start, more progress needs to be made in this area.

In addition to capital funding, additional supports and services must be made available for those with complex medical and behavioral challenges, especially in light of the aging I/DD population.

OPWDD TRANSFORMATION

The Executive Budget fails to support a successful restructuring of the system. Unlike the hospitals, and to a lesser extent other health care providers, who have received billions of new dollars to support their transformation, no new funding has been allocated in the Executive Budget to support the OPWDD Transformation Agenda.

Examples of this failure include:

- Lack of funding to downsize ICFs as required by CMS.
- Lack of the estimated $400-$700 million in funding to develop and operate the bureaucracy required to administer I/DD managed long term care services.
- Inadequate funding to move to electronic records.
- Inadequate funding for self-direction.

COPA believes that the budget contains unrealistic expectations regarding the number of individuals for whom low cost services are appropriate. The Executive Budget proposal fails to recognize that a significant portion of the population OPWDD serves will need greater supports than are available through supported employment and other lower cost options. These individuals will require the more intensive support available in, for example, day habilitation or pre-vocational services.

As evidence of the lack of funding for individuals with severe cognitive disabilities we need only look at the statistics coming out of SED. In 2013, 2834 students took the New York State Alternative Assessment, a test restricted to students with severe cognitive disabilities. COPA believes that the resources needed to adequately support approximately 3000 new individuals in day habilitation or prevocational services is not included in the budget.

We also believe OPWDD and the Executive Budget have grossly underestimated the cost and complexity of self-direction and that there is an over emphasis on this model. While there is an increase in the number of families interested in exploring self-direction, the Executive Budget fails to make the necessary investment to allow individuals to purchase even the most basic array services to live a fully independent life. The skills and time needed to manage this service delivery model are burdensome for many families especially those with stressors above and beyond caring for an adult child with I/DD including poverty, illness, and lack of education.

UNFUNDED MANDATES/OTHER SYSTEM COSTS

Not only have disability services providers not received increases for costs related to fuel, staffing, insurance, and other business costs, we have not received the needed regulatory relief for the overwhelming paperwork and system approval processes that are continuously being added. Expenses related to staff background checks, the OPWDD Front Door process, and the Justice Center have grown steadily at the same time as our funding has been drastically cut. The return on the investment the State has made in the Justice Center must be evaluated as we look ahead to further “system transformation.”

As noted previously, hospitals have perennially received funding for infrastructure needs, whereas our system has not. We have never had the IT framework, the data warehousing and reporting capabilities required to transform into a Medicaid managed care system. All this growth in expectations of our technical and functional ability is occurring without any investment while our funding has been cut and increasing regulatory and other costs. Without our assistance and support, the prospects are bleak that our future will include a system with a vibrant network of supports and services for people with I/DD.

CONCLUSION

With your support, we are eager to increase the salaries of our hard working but low paid direct support staff, redesign the system, and expand the availability of supports for people with I/DD. It cannot be done without the understanding and commitment of New York State.

COPA would like to thank the Legislature for its ongoing support for people with I/DD. We look forward to continuing to work with you on behalf of people with I/DD in New York State.