

Disability Service Providers Shuttering In Many States

by Michelle Diament | September 10, 2021



Chalonda Day, a direct support professional, left, Charlie Flowe, center, and Julian Jordan, right, who both have disabilities, participate in a community outing in Philadelphia. (Tyger Williams/The Philadelphia Inquirer/TNS)

Half of states are reporting that Medicaid home and community-based services providers have closed since the start of the pandemic, with many seeing multiple types of services shut their doors.

In a survey of Medicaid home and community-based services programs in 41 states that was conducted through mid-July, 25 reported that at least one provider had permanently closed.

The findings come in a [report](#) released recently from the Kaiser Family Foundation.

Adult day programs were the most likely to have closed followed by in-home care providers, supported employment and group homes, the report found.

In 16 states, closures affected multiple types of home and community-based services providers.

Survey results showed that the pandemic exacerbated existing workforce shortages at group homes and for services provided in individuals' homes, but there were also impacts on providers from people with disabilities and their families declining to allow workers into their homes due to coronavirus concerns.

Meanwhile, the report indicated that closures to comply with social distancing measures affected day programs and supported employment.

Many states said that they used retainer payments — which allowed providers to continue billing for approved services during temporary closures — to try to keep providers afloat, but limitations meant that this was insufficient for some.

“The pandemic has brought new attention among policymakers and the public to the longstanding unmet need for HCBS and direct care workforce shortage, driven by low wages, high turnover and limited opportunities for career advancement,” the report finds. “Maintaining and increasing the HCBS provider infrastructure is key to meeting enrollee need and expanding access to these services as pandemic recovery efforts continue and beyond.”

Already, federal lawmakers have taken some steps to address the fallout of the pandemic on disability service providers. In March, Congress [approved](#) an extra \$12.67 billion [over the next year](#) for home and community-based services as part of the American Rescue Plan.

The Kaiser Family Foundation report indicates that states intend to use the additional money to increase pay rates for providers and invest in workforce recruitment, among other things.

In addition, President Joe Biden has [proposed](#) an additional \$400 billion investment for home and community-based services as part of the reconciliation package that Democrats in Congress are currently piecing together, but it's [unclear how much money](#) for these services will end up in the legislation.