



February 17, 2021

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
Washington, DC 20515

The Honorable Charles E. Schumer
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Robert C. "Bobby" Scott
Chairman, Committee on Education & Labor
United States House of Representatives
Washington, DC 20515

Dear Speaker Pelosi, Leader Schumer and Chairman Scott:

The members of the Disability Provider Group strongly urge you to ensure that any increase in the minimum wage is accompanied by a commensurate Medicaid increase to cover those additional labor costs so that home and community-based services to people with disabilities and aging adults remain steadfast. We enthusiastically support a living wage for direct care workers. Decades of inadequate Medicaid reimbursement rates have prevented direct care workers from receiving appropriate compensation for this work. Without additional funding to boost direct care wages to at or above an increased minimum wage, people with disabilities and aging adults will be left without vital community supports.

Members of the Disability Provider Group include ACCSES, the American Network of Community Options & Resources (ANCOR), the Association of People Supporting Employment First (APSE), Easterseals, Goodwill Industries, The Arc of the United States, and United Cerebral Palsy. Our members support millions of individuals with disabilities to live full lives in the community. Since the beginning of the pandemic, our priority has been ensuring that Medicaid funded long-term supports and services have

what they need to keep people with disabilities healthy at home during the pandemic and ensure their well-being after the crisis has passed.

Currently, this essential workforce is severely underpaid due to inadequate Medicaid rates paid to providers set by state payers. The result is a community service delivery system challenged by high DSP vacancy rates and an average turnover rate of 43%, with numerous states reporting turnover in excess of 50%.¹ These challenges stand to be even more pronounced if Congress takes action to raise the federal minimum wage to \$15 per hour without a commensurate increase in reimbursement rates for Medicaid-funded Home and Community Based Services (HCBS).

Because disability service providers do not determine the wages of frontline direct care workers—wages are determined by states' reimbursement rates—a wage hike without commensurate resources will force providers to reduce direct support positions, leading to significant program closures and a dramatic reduction in the number of people to whom services can be delivered. This not only puts people in jeopardy of being institutionalized in violation of the Americans with Disabilities Act, but the number of people on states' waiting lists for HCBS—already nearly 600,000—would balloon.

There are legislative models acknowledging the unique considerations for these providers in the *Domestic Workers Bill of Rights* (H.R. 3760/S. 2112, introduced during the 116th Congress) and the *Disability Community Act of 2016* (H.R. 5902, introduced during the 114th Congress). The *Domestic Workers Bill of Rights* provided rights, protections and benefits to domestic workers – including direct care workers – and simultaneously increased the FMAP to fund these additional rights, protections and benefits for domestic workers that are primarily paid with Medicaid dollars. The *Disability Community Act of 2016* was a bipartisan bill sponsored by Representatives Paul Tonko (D-NY) and Steve Stivers (R-OH) that authorized an FMAP increase specifically to help providers comply with the 2016 U.S. Department of Labor's Overtime Rule, issued during the Obama administration.

The pandemic is amplifying a crisis that the direct care workforce has long faced, and an increase of the federal minimum wage that is not accompanied by commensurate increases in Medicaid reimbursement rates will shatter an already-cracked system. The result will not only mean fewer options and resources for people with disabilities and aging adults to live and work in the community, but it will also wreak havoc on more than 1 million direct care workers who deserve to benefit from an increased federal minimum wage.

Congress must immediately attend to the crisis facing providers of Medicaid-funded HCBS services. The members of the Disability Provider Group look forward to working with you to ensure that direct care workers receive a much warranted pay increase and HCBS for people with disabilities and aging adults remains in tact and flourishes. If you have questions or would like to discuss the challenges outlined in this letter in further detail, please contact Sarah Meek, ANCOR's Senior Director for Legislative Affairs, at smeek@ancor.org.

¹ National Core Indicators Staff Stability Report accessed online at https://www.nationalcoreindicators.org/upload/core-indicators/2019StaffStabilitySurveyReport_FINAL_1_6_21.pdf

Sincerely,

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cc: Senate HELP Committee Chairwoman Patty Murray
Senate Budget Committee Chairman Bernie Sanders
Senate Finance Committee Chairman Ron Wyden
House Budget Committee Chairman John Yarmuth
House Energy & Commerce Committee Chairman Frank Pallone