



## Rate Increase Needed for Agency for Persons with Disabilities (APD) Direct Care Staff Wages

### ***Florida must address the Direct Care Workforce Hiring Crisis!***

- Since 2003, Florida's minimum wage has increased from \$5.15 to \$8.46 per hour as of January 2019, representing a 64% increase in wages since Florida last adopted a uniform rate study for Medicaid Waiver (iBudget) services.
- The 2003 rate system was based on direct care wages funded at the 25th percentile compared to national averages for wages. Since July 2003, these same rates have undergone multiple cuts and are on-average 11% lower than they were in 2003 - while inflationary costs have increased 31.1%. Compared to today's dollars, the iBudget rates for key services are on average 42.1% lower than they should be.
- Because staffing costs represent about 70% of provider agency operating expenses, iBudget waiver providers are now facing hiring crises based on the outdated, inadequate rates. Providers are experiencing hiring crises because they simply cannot pay competitive wages. Just consider, the average wage paid for direct care staff in Florida is \$9.50 per hour compared to retail and fast food stores that start employees at \$10 – \$11.00 per hour.
- Direct care staff turnover rates are at 40+% on average because of low wages and minimal benefits.
- In addition to minimum wage increases, insurance costs such as employee health care, unemployment compensation, workers' compensation, and property have increased significantly. Also, multiple unfunded mandates have been added in the form of billing requirements, background screening costs, new licensure standards, staff training and experience requirements, and additional privacy and community integration standards are mandated by federal rule.
- Remaining on the current path will continue the deterioration of a network that has seen about a 30% drop in the number of providers since FY 07-08 and a 36% reduction in agencies that provide multiple (two or more) services.

### **Remedy**

- To resolve the direct care staff hiring crisis, Florida ARF requests a rate increase for three iBudget waiver services (Residential Habilitation, Adult Day Training, and Personal Supports) so provider agencies can pay competitive wages to their direct care staff. This investment in Florida's ID service system will only require **\$15.8 million in General Revenue** funds and will draw down an additional **\$23.7 million in federal Medicaid match**.
- The request equates to a modest 5% rate increase but will go a long way in helping providers keep their doors open and will help stabilize the hiring crisis they face.
- Florida ARF members are committed to working with lawmakers to ensure that tracking methodologies are in place to validate that the requested funding is indeed utilized for direct care staff increases.