The Utah Association of Community Services (UACS) is an organization consisting of nearly forty private provider agencies that serve over 5,000 people with developmental and other types of disabilities in over 400 different locations throughout Utah. Association members are licensed and qualified provider agencies that contract with the Department of Human Services, primarily the Utah Division of Services for People with Disabilities, the Utah State Office of Rehabilitation and Workforce Services. Member agencies employ approximately 4,500 staff who assist individuals living in their homes and communities by providing quality services including residential, day training, supported employment, family support, and respite care.

The contracted agencies providing these services are currently struggling to provide these services based on the reimbursement levels they receive. Private providers of services for people with disabilities are operating tightly on rates that, excluding modest cost-of-living increases, have not been permanently adjusted for over 15 years. The current rate structure being used is based on a rate structure completed during the 1990’s when minimum wage was $4.75/hr. Since this rate was set rates have not kept up with CPI adjustments, and minimum wage has increased to $5.15/hr. in 1997, $5.85/hr. 2007, $6.55/hr. in 2008, $7.25/hr. in 2009. With another push nationally to increase the minimum wage, the average direct care pay of private providers in Utah (which is $8.00/hr.) would fall well below the proposed minimum levels. The only rate increase during that time was made during the 2008 Legislative Session. It was erased during the 2009 Legislative Session budget cuts, but restored in 2012. Though the legislature has permanently backfilled cuts made during the past few legislative sessions, provider rates remain at the 2008 level.

The following data points were collected from UACS provider agencies in July 2014:
- Average Starting Wage for Direct Care Providers – $8.00/hour
- Average Turnover Rate – 86%

In comparison to the six states in Utah’s Medicaid region, Utah’s average starting wage is the lowest - $8.00/hour compared to South Dakota ($8.40/hour), Wyoming ($8.58/hour), Montana ($8.93/hour), Colorado ($10.33/hour) and North Dakota ($12.52/hour). Furthermore, Utah is tied with Texas for the lowest starting wages to direct care staff in the United States.

One of the unfortunate consequences of low direct care rates is evidenced by the incredibly high staff turnover rates of almost 90%/year that Utah disability providers are currently experiencing. This high turnover rate is not only hard on service providers; it is even harder on those who are receiving services and their families. During the 1990’s disability provider rates were several dollars above minimum wage and agencies were able to recruit and retain competent staff. Many staff had college degrees, with the work not considered to be a low-wage or of seemingly low importance to the state. Currently providers are having challenges even getting people to apply for their open positions. A more competitive, livable wage for direct care staff will help retain staff and will contribute more to Utah’s economy. This incredibly high turnover rate and lack of ability to attract employees will lead to serious health and safety concerns for Utah’s most vulnerable population of citizens.
UACS understands that the gap in rates is too large to fill in one year. Working with DSPD, UACS proposes the following three-year plan:

Year 1: $5,000,000 state funding increase to Home & Community-Based Waivers.

Year 2: $5,000,000 state funding increase to Home & Community-Based Waivers.

Year 3 $5,000,000 state funding increase to Home & Community-Based Waivers.

Following is a detailed explanation of our arrival at our request of $15,000,000 state funding over three years, and how $5,000,000 state funding will equal roughly a $1.00/hour increase in direct care total compensation:

- There are approximately 8,000 direct care staff in Utah (including provider and SAS employees).
- Each worker completes approximately 2,080 hours per year of direct care service, which equals about 16,640,000 hours per year.
- Based on those hours, just under $17,000,000 funding is required to increase total compensation for each employee by about $1.00/hour, which means the necessary state funding and Medicaid Match funds are:

  
  \[
  \begin{array}{c}
  \text{State General Funds} \\
  \text{Federal Medicaid Matching Funds} \\
  \end{array}
  \]

  \[
  \begin{array}{c}
  \$ 5,000,000 \\
  + \$11,846,300 \\
  \end{array}
  \]

  \[
  \$16,846,300 \quad \text{Funds for direct care staff total compensation}
  \]

The Legislative Fiscal Analyst’s presentation described the many performance measures in place within DSPD to gauge the success of services relating to Oversight & Accountability, Health & Safety, Employment, Quality of Services, and Self Determination. Providers will also work closely with DSPD to monitor the appropriation with an expectation that ALL (100%) of the appropriation goes to direct care staff total compensation.

For more information, please contact Charlie Luke, Executive Director, (801) 554-5442, charlieluke@uacs.org.