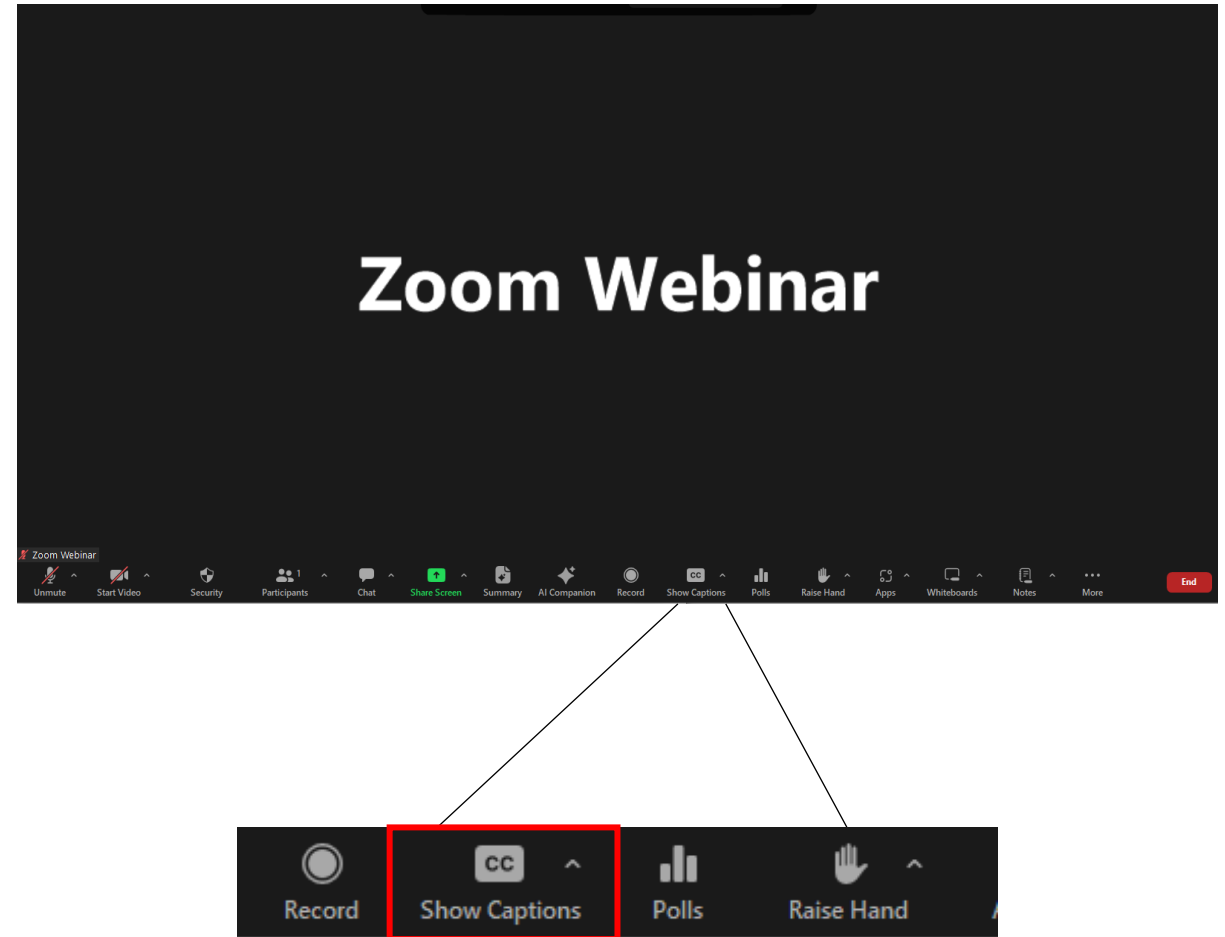


Workforce Shortages in Home and Community-Based Services

**Division of Long-Term Services and Supports
Medicaid Benefits and Health Programs Group
Centers for Medicaid and CHIP Services**

Instructions for Closed Captioning

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Presentation Objectives:

This session will:

- Highlight the types of direct support professionals (DSPs) that deliver home and community-based services (HCBS).
- Discuss the causes and challenges contributing to HCBS workforce shortages.
- Highlight strategies states can use to address HCBS provider shortages.

Overview of DSP Workforce

Direct Support Professionals – Roles

- Typical Services and Supports Provided by DSPs:
 - Assist with activities of daily living such as bathing, dressing, and grooming;
 - Help with home skills such as meal preparation, housekeeping, and money management;
 - Monitor health and safety;
 - Support health-related tasks such as medication management and administration to the extent permitted by state law;
 - Support employment skill development and on-the-job training;
 - Provide non-medical transportation;
 - Teach and model independent living and self-advocacy;
 - Support community inclusion;
 - Implement positive behavior support; and
 - Provide companionship and support development of social relationships.

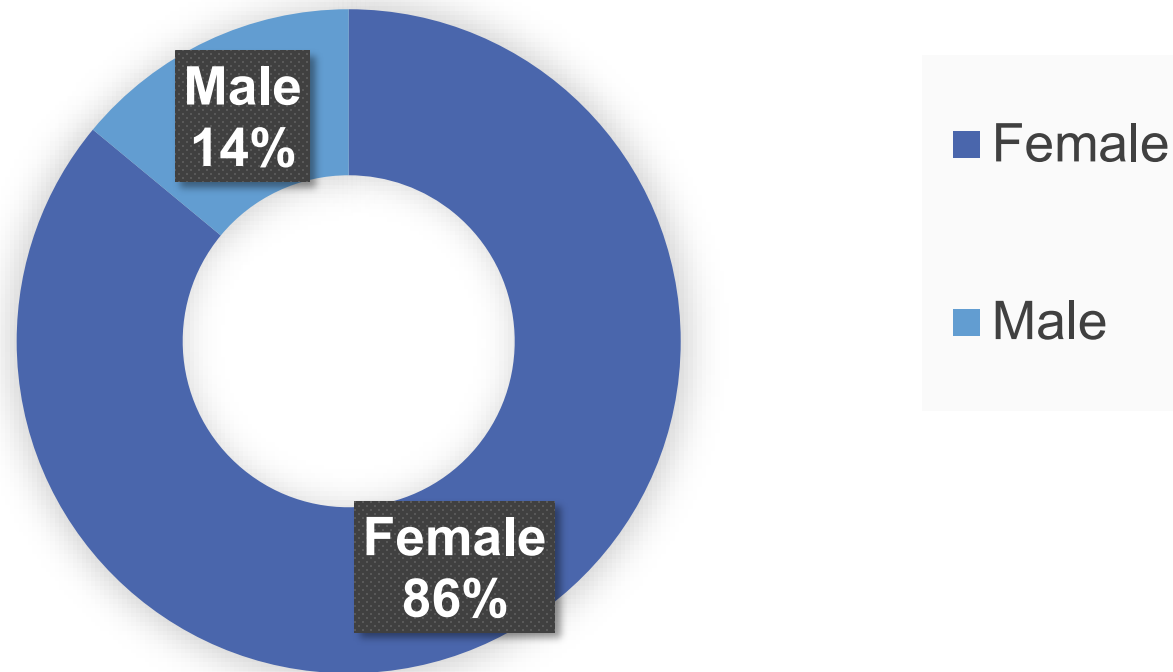
Direct Support Professionals – Classifications

Industry	Titles
Home Health Care Services (NAICS 621610)	Home Health Aide; Home Health Attendant
Services for the Elderly and Persons with Disabilities (NAICS 624120)	Personal Care Aide; Caregiver;
Residential Based Services such as Assisted Living (NAICS 623310) and Intellectual and Developmental Disability Facilities (NAICS 623210)	Resident Care Assistant; Personal Care Aide; Direct Support Professional; Direct Care Worker;

Source: [North American Industry Classification System \(NAICS\) U.S. Census Bureau](#)

Direct Support Professionals – Demographics (1 of 3)

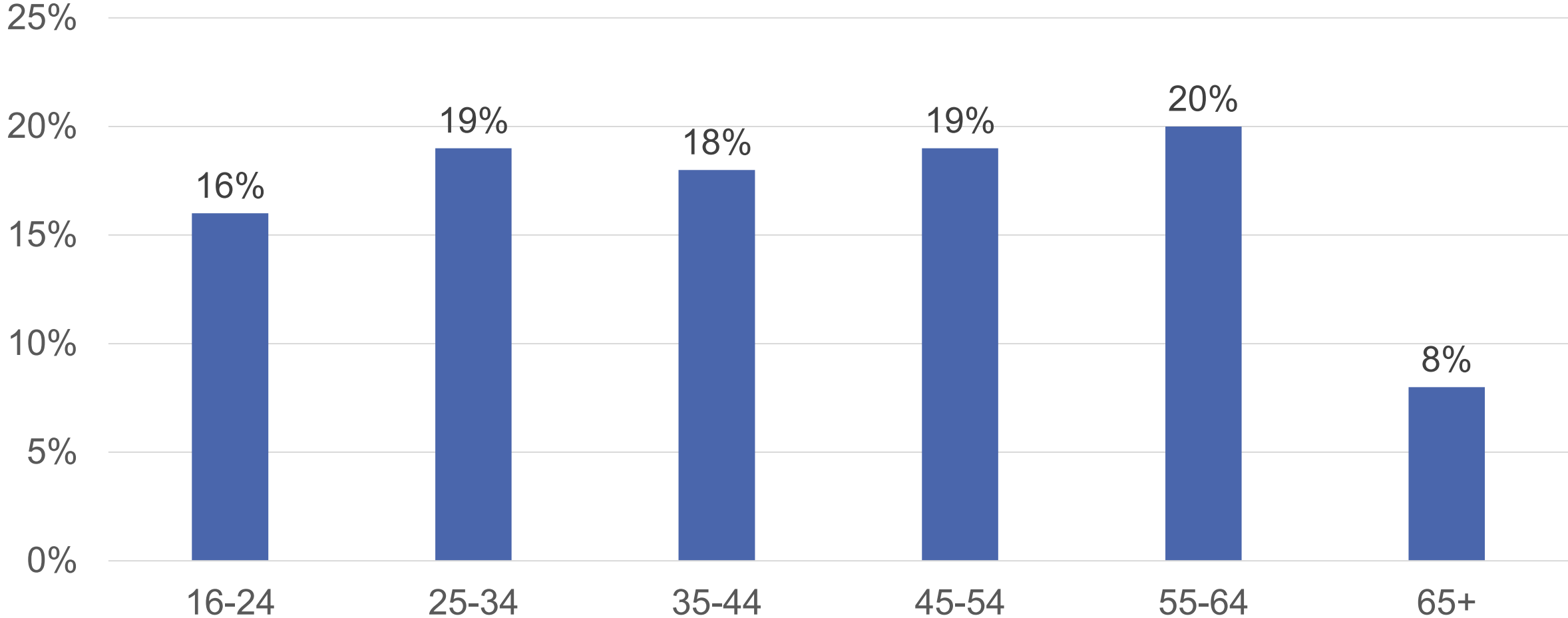
ALL DIRECT SERVICE WORKERS BY GENDER, 2021



Source: [Workforce Data Center \(phinational.org\)](https://www.phinational.org/workforce-data-center)

Direct Support Professionals – Demographics (2 of 3)

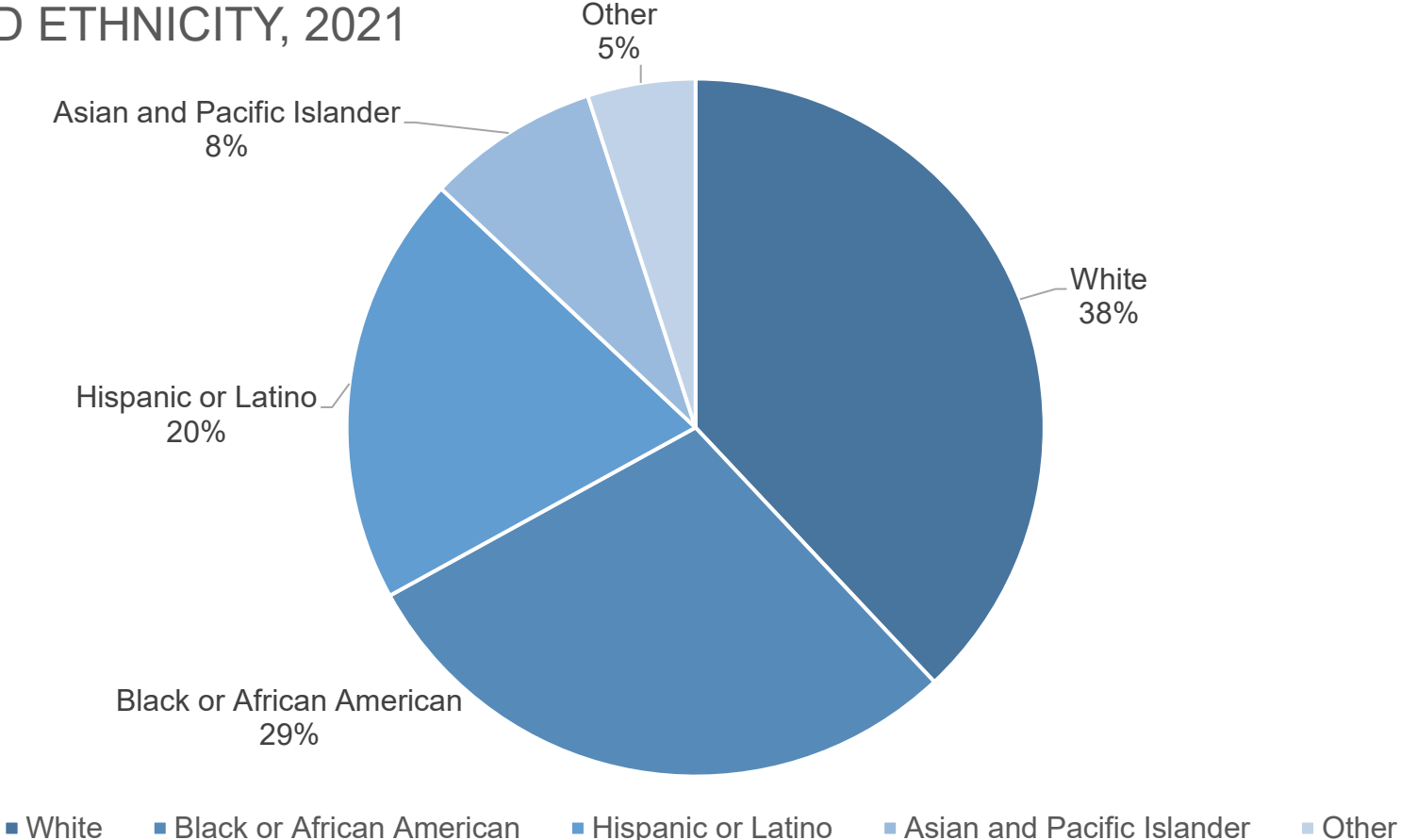
All Direct Service Workers by Age, 2021



Source: [Workforce Data Center \(phinational.org\)](https://www.phinational.org/workforce-data-center)

Direct Support Professionals – Demographics (3 of 3)

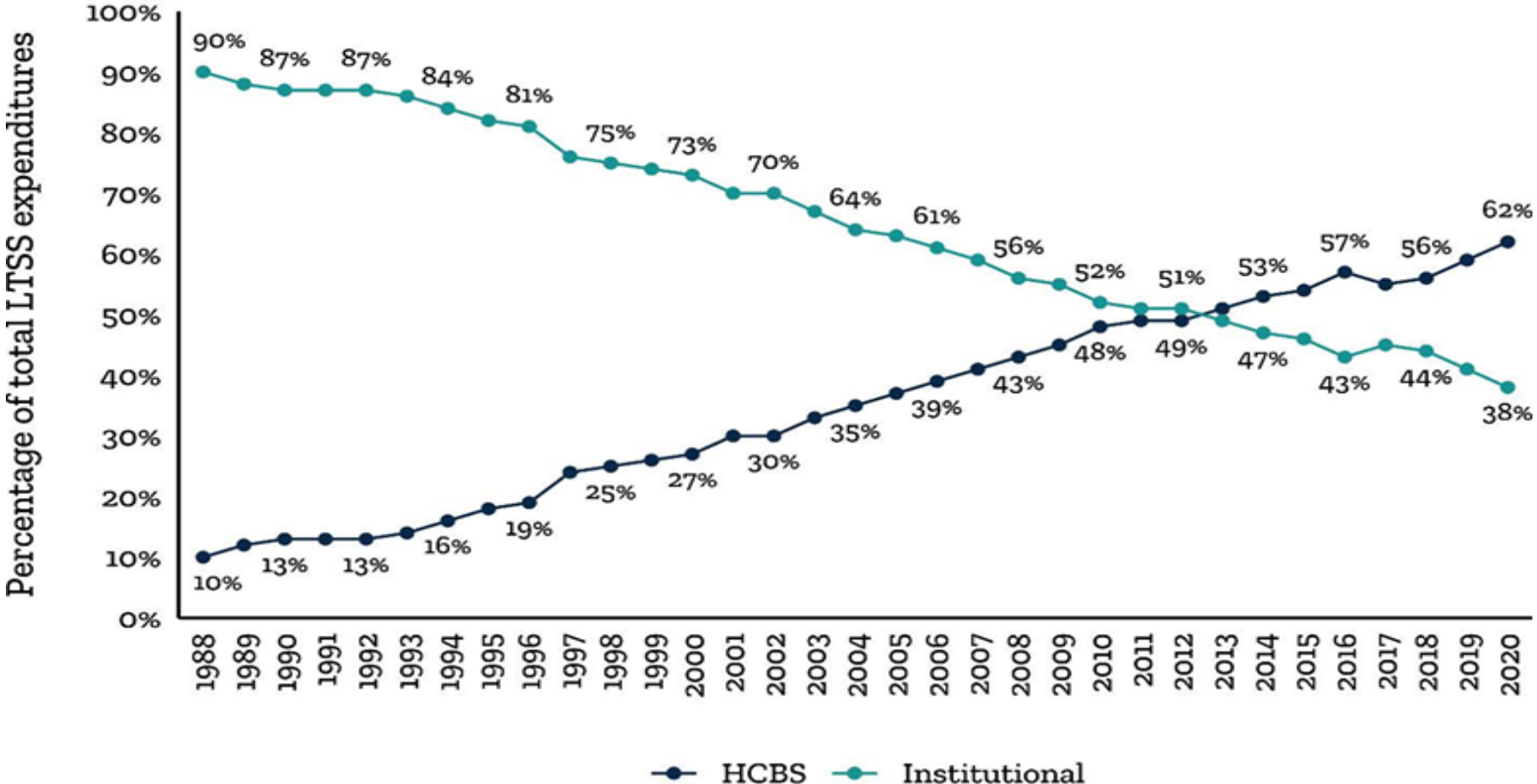
ALL DIRECT SERVICE WORKERS
BY RACE AND ETHNICITY, 2021



Source: [Workforce Data Center \(phinational.org\)](https://www.phinational.org)

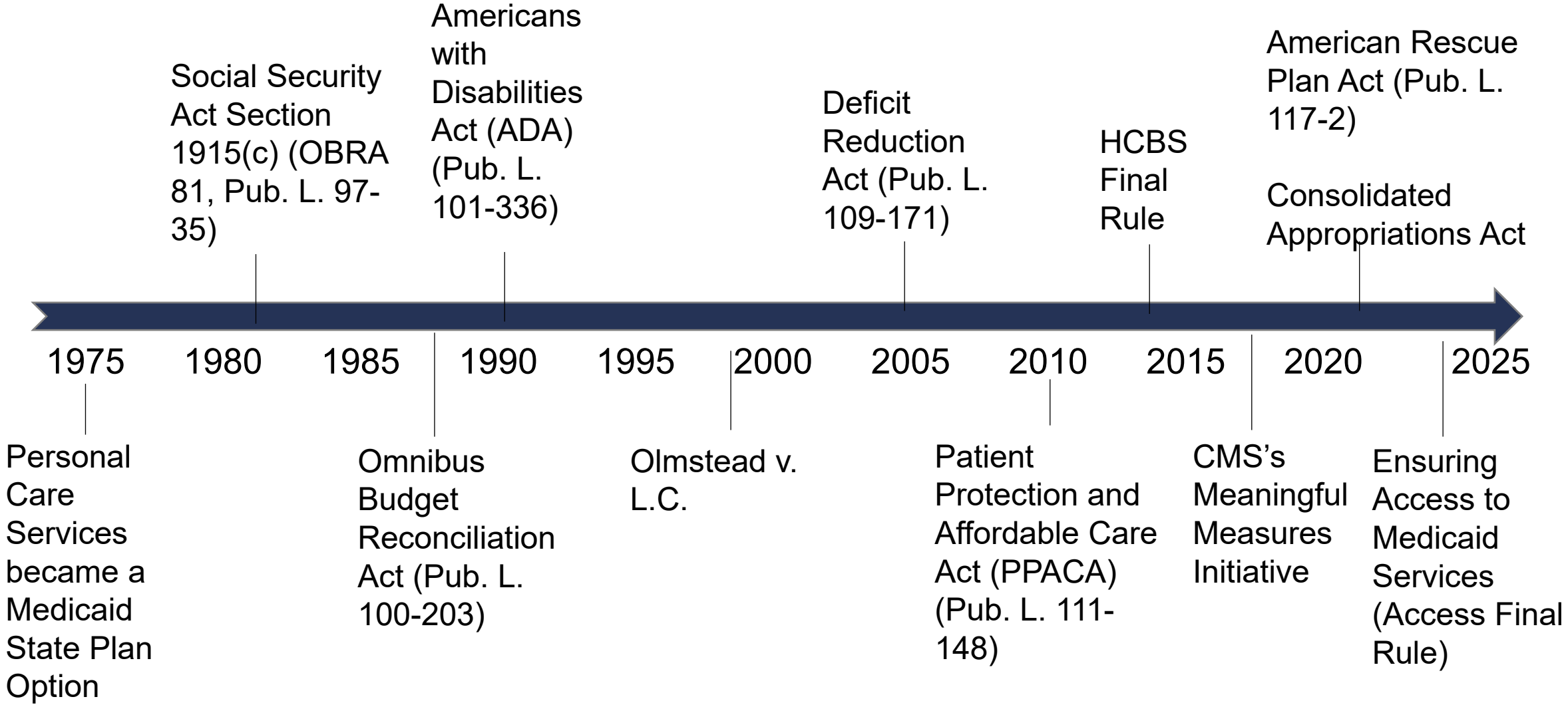
Shift from Institutional Care to Community-Based Care

Medicaid HCBS and institutional LTSS expenditures as a percentage of total Medicaid LTSS expenditures, FY 1988 to 2020



Medicaid Long Term Services and Supports Annual Expenditures Report: Federal Fiscal Year 2020 (mathematica.org)

Efforts to Expand Access to HCBS



Source: CMS Long-Term Services and Supports Rebalancing Toolkit

Increased Demand for HCBS

The Direct Support Professional Workforce added 1.6 million new jobs between 2012 and 2022



The Workforce is expected to add over 1 million new jobs between 2021 and 2031

[Occupational separations and openings : U.S. Bureau of Labor Statistics \(bls.gov\)](https://www.bls.gov)

Factors Contributing to Workforce Shortages in HCBS

Macroeconomic Trends

Growing demand for HCBS, low unemployment, and inflation have all been factors contributing to direct support professionals (DSP) shortages in HCBS programs.

- As outlined in the Administration for Community Living's (ACL) *2017 Report to the President on America's Direct Support Workforce Crisis*, organizations employing DSPs struggle to hire qualified DSPs when unemployment rates are low.

Economic Factors Impacting DSPs

States have used publicly funded programs to offer HCBS alternatives to institutionalization, spurring demand for DSPs delivering HCBS.

The U.S. Bureau of Labor Statistics (BLS) projects there will be more new DSPs jobs added to the economy than any other occupation this decade (2022-2032).¹

Since 2021, the U.S. has experienced a rise in the pace of inflation, as measured by the Consumer Price Index, contributing to increased wage pressures for DSPs.²

¹ "Occupations with the Most Job Growth : U.S. Bureau of Labor Statistics." Bls.gov, 9 Apr. 2019, www.bls.gov/emp/tables/occupations-most-job-growth.htm.

² Vasquez, Leonardo. "Unpacking the Causes of Pandemic-Era Inflation in the US." *NBER*, 1 Sept. 2023, www.nber.org/digest/20239/unpacking-causes-pandemic-era-inflation-us.

Impact of COVID-19 Pandemic

The COVID-19 Public Health Emergency (PHE) further contributed to DSP workforce shortages as it reduced the availability of services.

- The PHE reduced the number of DSPs providing HCBS as some facilities (e.g., adult day centers, group homes, etc.) were forced to close and DSPs offering in-home services had hours that were often reduced or eliminated due to pandemic related impacts.
- The pandemic increased the stress and risk of those who worked as DSPs, affecting both those who remained in the roles and potential workers.
- A 2022 Kaiser Foundation study noted that 44 states reported at least one permanent closure of an HCBS provider during the PHE, a 28% percent increase from 2021.
 - A Community of Providers for People with Disabilities (ANCOR), *The State of America's Direct Support Workforce Crisis 2022* report highlighted that nearly 66% of providers were concerned that vacancy and turnover rates would increase without targeted efforts aimed at stabilizing the direct support workforce.

Impact of COVID-19 Pandemic (Cont.)

- Citywide lockdowns and closures created a sudden increase in paid and unpaid caregivers, further contributing to the shift toward home-based services and away from institutional settings.
- The COVID-19 PHE presented health risks to individuals in congregate and institutional settings necessitating the expansion of access to high quality HCBS and increasing demand for DSPs.
- States made changes to HCBS programs with an aim to protect participant health and welfare, expand service access, and maintain adequate provider networks as states addressed challenges associated with the COVID-19 pandemic.

Low Wages and Benefits

DSP wages have not kept pace with inflation and benefits remain low despite the high demand for services, contributing to ongoing workforce shortages within HCBS programs.

- According to the *2022 National Core Indicators (NCI) State of the Workforce Survey*, only five states reported a median hourly wage that is at or above the livable wage for one adult.
- An issue brief published by the Assistant Secretary for Planning and Evaluation (ASPE) at the Department of Health and Human Services concluded that DSP wages are lower than entry level jobs in most states.
- A lack of competitive of benefits also posed DSP recruitment and retention challenges.
 - The 2022 NCI Workforce Survey indicated that only about 55% of provider agencies offered a retirement plan to some or all DSPs and about 62% offered health insurance.

Limited Opportunity for Career Advancement

Career and education pathways are not always defined across states for HCBS and often there is limited advancement opportunity for DSPs, making it difficult for DSPs to advance from entry-level positions.

- Both reports from ACL and ANCOR highlight that investing in DSPs by providing proper training may increase the perceived value of the job, helping improve recruitment and retention.
- With limited opportunities for progression, DSPs have a high risk of low job satisfaction which results in high turnover.
 - According to the *NCI State of the Workforce Survey*, only 37% of DSPs employed at the end of 2022 were employed for three years or more.

State Strategies for Addressing HCBS Workforce Shortages

State Strategies and Efforts

Many states have employed different strategies and efforts to address workforce shortages in HCBS programs.

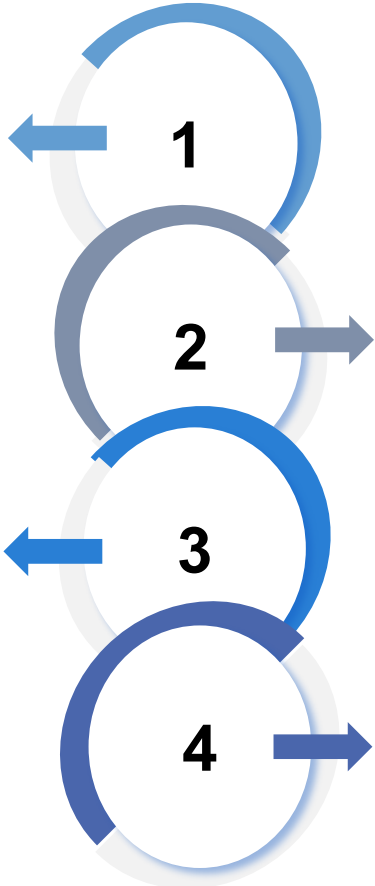
- State efforts include:
 - Increased funding for DSP compensation and benefits;
 - DSP recruitment;
 - DSP retention;
 - Increased self-direction options;
 - Family caregivers / legally responsible individual delivered care;
 - Expansion of telehealth and remote services; and
 - Response to PHE - American Rescue Plan Act (ARP) and continuation of flexibilities introduced during PHE.

Addressing Low Compensation and Benefits

States have applied various strategies in their HCBS programs to increase funding for compensation and benefits.

Geographic Adjustments
Some states adjust rates based to account for cost differences based on geographic location (e.g., between urban and rural areas).

Competency Add-On Rates
States have implemented strategies to reward or incentivize DSPs with more experience and/or for completing further training in addition to provider qualification requirements.



Employer Benefits
States have continued to evaluate the costs of employer benefits (i.e., health insurance, dental, retirement, etc.) as part of rate setting efforts and some have offered incentives to providers expanding benefit offerings.

Rate Studies and Rate Increases
States have prioritized rate increases and other related initiatives to increase DSP compensation.

Recruitment and Retention Efforts

States are exploring ways to broaden entry and career pathways to recruit and retain DSPs.

- Efforts include recruiting high school and college students, individuals with family caregiving experience, and people with disabilities.
- Some states have updated provider qualifications to broaden the pool of potential applicants.
 - For example, some states have shifted to allow experience to replace the education requirement.
- While most retention efforts revolve around higher wages, states have offered competency add-on payments to account for experience, training completion, or certifications.
 - One state offered supplemental payments for DSPs with at least two years of experience providing direct support to individuals with developmental disabilities and completion of 60 hours of competency-based training.

Response to the COVID-19 Public Health Emergency

- During the public health emergency:
 - Family caregivers mitigated workforce shortages.
 - Many states used flexibilities available under Medicaid State Plan and HCBS Waiver Programs to enable remote options for service delivery and allow payment for services provided by family members or other caregivers.
- American Rescue Plan Act of 2021 (Pub. L. 117-2):
 - Many states planned to use section 9817 funding to recruit and retain direct support professionals, offer incentive payments, sign-on bonuses and increased rates, create registries, and establish career paths.

[An Overview of Medicaid Section 1915\(c\) Home and Community-Based Services Policy Flexibilities States Adopted During the COVID-19 Public Health Emergency and Overview of State Spending under American Rescue Plan Act of 2021 \(ARP\) Section 9817, as of the Quarter Ending December 31, 2022](#)

Increased Self-Direction Options

Benefits to Direct Support Professionals

- Provides options to work for individuals of their choice, such as a relative or friend who needs supports.
- Affords opportunity to develop close personal relationships with the individual they are caring for due to permanent assignment.
- Fewer workers' compensation insurance claims for HCBS under self-directed options.
- Allows relatives to recoup a portion of lost income while caring for their relative.
- Provides flexible wage ranges enabling direct service workers to receive wage rates higher than those typically paid by agency providers.

Sources:

[Operational Considerations for Self-directed Service Delivery Models](#)

[Origins and Benefits of Self-direction](#)

Family Caregivers/Legally Responsible Individual Delivered Care

Characteristics	Relatives and/or Legal Guardians	Legally Responsible Individuals
Meets Extraordinary Care Criteria for Personal Care	Not Required.	Required.
Service Description	May provide waiver services if they meet provider qualifications and the state authorizes them to provide services.	May provide waiver services if they meet provider qualifications and the state authorizes them to provide services.
Family Caregiver	May have legal responsibility to individual.	Has legal responsibility to individual.

Source: https://wms-mmdl.cms.gov/WMS/help/version_36_1915c_Waiver_Application_and_Accompanying_Materials.zip

Telehealth and Electronic/Remote Monitoring of HCBS (1 of 5)

Telehealth/Remote Delivery of HCBS	Electronic/Remote Monitoring HCBS
<p>Telehealth is the use of electronic information and telecommunications technologies to:</p> <ul style="list-style-type: none">▪ Increase continuity of care▪ Extend access to care beyond normal hours▪ Reduce travel burden for people in need of supports and providers▪ Overcome workforce shortages, especially among rural and other underserved populations▪ Provide support for chronic health conditions▪ Stop the spread of infectious disease	<p>Electronic or remote monitoring allows an off-site service provider to monitor and respond to a person's health, safety, and other needs using live communication, while offering the person more independence. Remote monitoring does not take the place of staff monitoring. Remote monitoring significantly enables the individual to live, work or meaningfully participate in the community with less reliance on paid staff supervision or assistance.</p>

Telehealth and Electronic/Remote Monitoring of HCBS (2 of 5)

When a state allows for 1915(c) or 1915(i) HCBS to be delivered remotely (via telehealth):

- The remote service will be delivered in a way that respects the privacy of the individual, especially in instances of toileting, dressing, etc.
- The telehealth service delivery will facilitate community integration.
- The telehealth will ensure the successful delivery of services for individuals who need hands on assistance/physical assistance, including whether the service may be rendered without someone who is physically present or is separated from the individual.
- The state will support individuals who need assistance with using the technology required for telehealth delivery of the service.
- The telehealth will ensure the health and safety of an individual.

Telehealth and Electronic/Remote Monitoring of HCBS (3 of 5)

Remote (electronic) monitoring under 1915(c) HCBS waivers and the 1915(i) State Plan HCBS benefit:

- Can include devices under an assistive technology and/or environmental modifications service or be covered under a stand-alone service, which may or may not also include the remote monitoring device/technology with a separate service cost component;
- Cannot be used to substitute for on-site staff unless it has been agreed upon by the individual and documented in the individual's person-centered service plan prior to use; and
- Must include safeguards to protect individual rights and privacy.

Telehealth and Electronic/Remote Monitoring of HCBS (4 of 5)

For remote monitoring under 1915(c) waiver or 1915(i) State Plan HCBS, it is important to know:

- Who will be responsible for the remote monitoring activity, including whether they are on-site or on-call.
- How the remote monitoring will facilitate community integration.
- How the individual's right to privacy will be met, as well as that of others in the home and what safeguards will be in place to protect individual rights and privacy.
- How the waiver participant and involved family members and/or guardian have agreed to the use of remote monitoring and that this is documented in the individual's person-centered service plan prior to use.
- How the remote monitoring will ensure the individual's needs are being met and that health and welfare needs are being addressed.

Telehealth and Electronic/Remote Monitoring of HCBS (5 of 5)

- The back-up plan in the event of equipment/technology failure.
- For remote monitoring devices/equipment/technology:
 - Where devices/monitors will be placed, including whether placement of video cameras/monitors is allowed in bedrooms and bathrooms.
 - If video cameras/monitors are allowed to be placed in bedrooms and bathrooms, how this is determined to be necessary on an individual basis and justified in the person-centered service plan.
 - The control that the waiver participant will have over the equipment, including how the waiver participant can turn off the remote monitoring device/equipment, if they choose to do so, and how they are informed of this option and how to do it.

Summary

- DSPs provide a wide range of supports to older adults and people with disabilities of all ages and across multiple types of settings. Their role ultimately helps people to live fulfilled, safe, and independent lives.
- The increased growth and continued demand for HCBS results in the need for more and more workers.
- A variety of economic factors along with the COVID-19 PHE has motivated states to develop different strategies and efforts to address workforce shortages.
- Self-direction is an important service delivery model to mitigate the demand for HCBS that exceeds the capacity of the direct support workforce.
- States have mitigated DSP shortages by enabling the hiring of relatives with options to hire legally responsible individuals for services identified in a person-centered service plan.
- Technology can mitigate workforce shortages, improve access to supports in rural areas and increase independence of people supported through Medicaid HCBS.

Resources

- CMS Baltimore Office Contact—Division of Long-Term Services and Supports:
 - HCBS@cms.hhs.gov
- To request Technical Assistance:
 - <http://hcbs-ta.org>
- [Direct Care Workforce Resources | Medicaid](#)
- [Workforce Data Center \(phinational.org\)](http://phinational.org)

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1. “Occupations with the Most Job Growth : U.S. Bureau of Labor Statistics.” Bls.gov, 9 Apr. 2019, www.bls.gov/emp/tables/occupations-most-job-growth.htm.
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3. President’s Committee for People with Intellectual Disabilities (PCPID) . *Report to the President 2017 America’s Direct Support Workforce Crisis: Effects on People with Intellectual Disabilities, Families, Communities and the U.S. Economy*. 14 Feb. 2018.
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7. Tiered Rates: Trends in Acuity-Based and Geography-Based Rate Variation Division of Long Term Services and Supports Disabled and Elderly Health Programs Group Center for Medicaid and CHIP Services. <https://www.medicaid.gov/sites/default/files/2019-12/tiered-rates.pdf>.
8. HCBS Waiver Rate Setting Use of Inflation Factors Division of Long Term Services and Supports Disabled and Elderly Health Programs Group Center for Medicaid and CHIP Services. <https://www.medicaid.gov/sites/default/files/2019-12/hcbs-1c-inflation-training.pdf>.

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