Alliance for the Betterment of Citizens with Disabilities

Empowering People: Providers Shaping Policies

Assembly Human Services Committee

Testimony of Cathy Chin on A508

Respectfully Submitted on February 14, 2022

Good day, Chairperson Jimenez, Vice Chairperson Lampitt and members of the Assembly Human Services Committee. On behalf of ABCD, thank you for the opportunity to publicly express our gratitude to the bill's sponsor, Assemblyman Benson, and to express our support for an annual indexed rate increase which will cover all costs and services for community providers who serve people with developmental disabilities.

Not all, but most of our agencies are non-profits. Non-profits do not pay federal income, sales, and property taxes, but do pay employment taxes, benefits, wages and salaries, mortgages and rent, utilities, leases, vehicles, supplies, all manner of insurance, lawyers, accountants, auditors and must obey all federal, state, and local laws and regulations which pertain to businesses. They must hire and retain qualified staff and continue to provide quality best practices services and supports to individuals and their families.

Impact of Under Resourcing

Except for the minimum wage increases for DSPs and the significant increase to our day program rates beginning in October of 2021, thanks to Governor Murphy and the NJ Legislature, our system of care had not had an increase for overhead and operational costs in over a decade which left our programs particularly vulnerable during the pandemic requiring DHS to step in and provide emergency dollars to help cover staffing and overtime and ensure that our day program doors remain open at the conclusion of this crisis.

The pandemic also exposed the near impossibility of attracting and keeping physical, occupational and speech therapists in Early Intervention with the 2005 rate while competing with hospitals, nursing homes, assisted living facilities and 573 public school districts Again, thanks to Governor Murphy and the Legislature this rate was increased in 2021.

Covid did not suddenly shine a light on unknown fragilities in our programs. We've all known and for a rather long time.

Impact of Targeted Funding

Targeted increases are effective but are not a long-term solution. For example, the DSP wage increases were are sorely needed but also caused many of our professional staff, administrators, custodians, and other support staff to demand pay increases too. Prior to the inclusion of front-line supervisors in the DSP wage increase, many of them were demoting themselves to become DSPs so that they could collect overtime.

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We agree with the reasoning for this bill, that it is incumbent upon State government to consider the full financial context in which the community provider operates to prevent crisis and interruption of services, enable leaders to focus on mission and outcome, and invest in the immediate and future health of the organization.

I respectfully request your consideration in clarifying and amending the legislation in the following ways:

- Most of our services are no longer under contract. Please consider clarifying the language to ensure that it includes providers who receive payment under the current FFS model in the Supports and Community Care Programs which would include residential services, day programs and services and for support coordination services.
- Please consider the inclusion of agencies which provide Early Intervention Services within DOH for infants and toddlers with developmental delays and disabilities.
- Would a Business Price Index be a more accurate measure of prices paid by our provider agencies than the Consumer Price Index which is used as a measure for adjusting payments to consumers?

Thank you for the opportunity to discuss why providers require resources and flexibility to run their agencies and programs effectively and efficiently