

TESTIMONY FOR SUBCOMMITTEE ON HEALTH HEARING

Good morning Chairman and members of the subcommittee. Thank you for inviting me to be here today. I am Ralph Gronefeld, president and CEO of ResCare. It has been our privilege to provide services to people with intellectual and developmental disabilities in nearly every setting for more than 30 years. For all of that time we've been a Medicaid paid provider and have successfully forged public/private partnerships in 37 states.

We also operate Job Corps centers, have workforce and one-stop services, and provide home care to senior citizens. We are a human services company whose mission is to maximize independence for all the populations who rely on us. We serve more than 65,000 people every day with more than 42,000 employees.

The efforts by Congress, the Administration and the States to "rebalance" the long term care system to more home and community services have led to more flexibility, individual control, desirable options and cost-effective services. As you know, Medicaid is the only funding source for services to most individuals with disabilities. But Medicaid budgets are strapped, the demand for services is exploding at the same time the available workforce is shrinking. Let me talk about some of the challenges and some solutions as we see them.

For years, individual states have essentially been running pilot programs testing different waiver options. Currently, there are hundreds of waivers spread through 50 states. And

yet, in some states there remain significant deterrents to home and community services. States continue to fund institutional services at higher rates offering cost reimbursement, room and board subsidies and other incentives that are not given to waiver services. At the same time, many of the waivers have become overly complex, inflexible and very expensive. As the costs of care rise, states have responded by limiting services, restricting eligibility and reducing payments. Under these pressures the waiting lists have grown along with the Medicaid budgets. In services to those with disabilities, we must look at all the models of care and find the few that provide the best outcomes for the most people. We must move away from models that are ineffective and costly.

Refining our service models is one solution, but the greatest challenge to all services is the nation's workforce crisis. We have to have a competent and caring workforce. Any discussion of changes or improvements to Medicaid policy should focus on this fundamental issue. High turnover rates, low wages, shortage of available workers and increased demand are pervasive problems for families, individuals receiving services and the people who provide those services.

Barely 10% of the 4.3 million people with intellectual and development disabilities receive Medicaid services. That 10% depends on more than 874,000 care givers. By 2020, we will need nearly a million and a half workers. That's a 37% increase in need but there will be a corresponding decrease in the number of people available to do the jobs. Soon we won't be able to find the people willing to care for the individuals we serve.

One solution to the workforce crisis is the Direct Support Professionals Fairness and Security Act (H.R. 1279), which was re-introduced in the 110th Congress by Representatives Lois Capps (D-CA) and Lee Terry (R-NE). This bill, which now has 107 co-sponsors, gives states a much needed option to secure additional federal Medicaid dollars for the workforce. This bill is an investment in a workforce that is needed to ensure the stability of home and community based services.

Congress should also consider legislation to develop incentives, such as training programs and career advancement opportunities, which would enable more people to enter this field. Such efforts should also better use the public workforce system by getting DOL to change its guidelines for successful employment and recognize "direct support professional" as an accepted job classification.

We also need to address our service models to more effectively use our workforce. New models of care such as one that uses technology to provide safe, secure services with fewer caregivers can be an answer. For example, Rest Assured[®], which is currently being piloted in Indiana through a public/private partnership among ResCare, the non-profit Wabash Center and Purdue University. It is a web-based, telecare system that's proved to be very successful.

We found that individuals who receive remote caregiving services show a greater satisfaction with the added independence they experience. And savings can be realized that would enable us to serve many more people for the same amount of money.

There are many people and organizations involved in providing services and supports to those with intellectual and developmental disabilities. I ask that providers be included in the search for those solutions.

The changes I'm suggesting today can ensure the safety, security and independence for those we serve, simplify the system; standardize best practices; and attract committed dedicated care givers.

Thank you for your time today. I will be happy to answer questions or provide additional information.