



Testimony of Fawn Palmer, Finance Director

*An Act to Ensure Access to Services for Adults with Intellectual and Developmental Disabilities by
Requiring Rate Studies for Home and Community-based Services*

Joint Standing Committee on Health and Human Services

April 13, 2023

Good afternoon, Senator Baldacci, Representative Meyer and esteemed members of the Health and Human Services Committees.

My name is Fawn Palmer. I am the Finance Director for Hope Association. We provide services for individuals with intellectual disabilities. Our programs include Community Supports, Residential, Case Management, Home Supports, and Shared Living Services.

I am writing to offer testimony in strong support of LD 744 which would direct DHHS to conduct rate studies and rate determinations for home and community benefits and support services for members of the MaineCare program with intellectual disabilities or autism spectrum disorder, including Agency Home Supports and Community Support Services.

We appreciate the Department's efforts to invest in workforce development and cost of living adjustments, however a viable rate that will sustain a competitive wage is critical and cannot wait.

Community support services have been a long-standing commitment from the Department and our organization to ensure individuals are included and connected to their communities. However, without a rate study that includes data from IDD providers, the future of this service is uncertain.

Hope association is currently operating its community supports program at a deficit of \$80,000. Last year's total deficit was \$82,000.

The current rate for this service does not cover expenses. There needs to be a rate that can cover not only the 1-3 staff ratio but also a 1-2 and a 1-1 ratio for community supports services.

Scenario: A group of three individuals are scheduled to go into the community with one staff for an activity. One individual calls in sick leaving just two individuals going out with that staff (rate does not support this) – or if two call in – than we are looking at providing a one-on-one service under the regular community supports program which the rate does not support. We would never send anyone home because of this. We will still take them for their scheduled outing. I have included a simple spreadsheet showing the cost and impact of these three scenarios. It's quite simple – looking at one hour of community support time. Billing rate vs. staff/benefit expenses. Not included in this are travel, supplies, building maintenance, utilities, liability insurance. The current rate does not cover all of this.

Yes, there is a program called Community Membership but that has a different requirement and separate authorization. We have a few individuals in that program – but again it is a separate program, and we are not able to fully staff the hours authorized to expand on it.

We don't want to have to add to the 40 plus community support programs that have had to close. We have already closed our Supported Employment program because of that rate being insufficient, leaving a lot of very disappointed individuals who are no longer working and feeling that sense of contribution.

We are not sure how long we can maintain operating at a deficit in with our community supports program. So many participants, parents, guardians, rely on this extremely important program. We would hate to have to close out 42 individuals due to a rate deficit.

It has been stated that 40 community supports programs have closed over the past two years.

The time is not to wait until 2025. We need a rate change now before another 40 community supports programs close over the next two years.

Thank you for your time and consideration.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Fawn Palmer". The signature is fluid and cursive, written over the printed name.

Fawn Palmer

Finance Director

Hope Association

Community Supports Cost Analysis

Staffing and Central Office Cost only

A unit is equal to 15 minutes - how the state requires us to bill. \$7.07 per unit

Cost for one hour with 1 participant at \$7.07 per unit

Cost for one hour with 2 participants at \$7.07 per unit

Cost for one hour with 3 participants at \$7.07 per unit

7.07	28.28	Income		7.07	56.56	Income		7.07	84.84	Income
		Expense:				Expense:				Expense:
	16.32	Staff Ave Wage			16.32	Staff Ave Wage			16.32	Staff Ave Wage
	4.90	Benefits 30%			4.90	Benefits 30%			4.90	Benefits 30%
	8.16	Document Time Wage (30 minutes)			16.32	Document Time Wage (1 hour)			24.48	Document Time Wage (1.5 hours)
	1.87	FICA 0.0765			2.50	FICA 0.0765			3.12	FICA 0.0765
	0.54	WC 0.022			0.72	WC 0.022			0.90	WC 0.022
	1.70	Provider Tax 6%			3.39	Provider Tax 6%			5.09	Provider Tax 6%
	33.48	Subtotal exp			44.14	Subtotal exp			54.81	Subtotal exp
	7.37	G&A (22%)			9.71	G&A (22%)			12.06	G&A (22%)
	40.85	Total Exp			53.86	Total Exp			66.86	Total Exp
	-12.57	Net Income			2.70	Net Income			17.98	Net Income

See notes below:

Wage is just average - some staff make more per hour

State recommends paying 125% of minimum wage (17.25) - - there is no way

Expense does not include cost of Travel out in the community (HCBS preference), Supplies, Building Maint, Training, Utilities, Depreciation, Vehicle Maint, Liability insurance

We travel out in the community occurs, ie: trip to horse farm, travel to go bowling, swimming, hiking, and participants also doing volunteering opportunities for non-profit businesses to build transferable skills for employment, Cost of gas can easily put us in the red - even with three people in a group

40 Community support programs have closed. We have already closed our work supports program

We are currently running our community supports program at an \$80,000 deficit - last years total deficit was \$82,000

It is impossible to come close to breaking even with the \$7.07 per unit rate