

SB 2012

House Appropriations, HR Section

March 9, 2023

Representative Nelson, Chairman

Good morning Chairman Nelson and members of the HR Section of House Appropriations. I'm Angela Dinius, the new executive director of the North Dakota Association of Community Providers (NDACP). NDACP is a statewide association of 31 members who provide a wide range of services and support for people with developmental disabilities.

We are here today to ask for your support on an inflationary increase; an increase to the rate matrix of \$1.88 for each service (which is an approximate 11% increase); and to support the increase by the Senate of an additional 30 slots for corporate guardianship, increasing their daily rate to \$10.30, and including the inflationary increase.

Our top priority is the health and safety of the people we support. We are striving to meet workforce challenges by finding efficiencies and creative solutions. Our turnover has significantly climbed with the average turnover rate for direct support professionals (DSPs) at 47%. On average, we are paying a higher hourly rate to employees than the payment system reimbursement. For example, the average pay rate for employees providing residential services is \$17.91. However, the average reimbursement rate for that service is only \$16.66 per hour.

Our employees provide support and services to our state's most vulnerable population, but the proposed inflationary increase alone is not enough to keep us competitive with fast food restaurants or big box retail stores. We are fully funded with Medicaid dollars; there is no insurance or private pay option. Unlike other industries, we cannot simply raise prices,

alter hours, or adjust services. Additionally, our staff works nontraditional hours; shifts span 24 hours a day, 7 days a week; on weekends, and holidays.

We appreciate the additional 3% that the Senate added to increase the payment rates. To let you know where that money goes, depending on the service, 80-90% of the payment rate goes directly to staff wages and benefits. The payment system was designed to be budget neutral in 2018 and relies on the inflationary increases from the state to remain funded at the appropriate level. This year we received an inflationary increase of 0.25% while the actual inflation rate has increased substantially and is currently at 6.5%.

I would like to introduce the providers who are here to testify today and who can give you a more complete picture of the impact this will make to not only our staff, but to the thousands of people we support every day.

- Lorena Poppe, Poppy's Promise
- Mike Remboldt, HIT, Inc.
- Sargianna Wutzke, Community Options
- Donna Byzewski, Catholic Charities ND

We appreciate the opportunity to speak with you today and urge you to support our funding requests so we can continue to provide quality support and services to the people who depend on us. Thank you. I'm happy to answer any questions.

Angela Dinius
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