



April 27, 2017

Dear Secretary Price and Administrator Verma,

ANCOR is the national trade association for providers supporting people with intellectual and developmental disabilities to fully participate in their communities. We directly represent 51 state associations of private providers and approximately 1,200 community agencies of community living that provide residential and employment supports and services to more than 800,000 individuals with disabilities. ANCOR members offer a full array of long term supports and services, including but not limited to early intervention, school age wrap around services, schools, residential, day, employment, respite, brokerage, self-direction, and fiscal intermediary supports. Our members are both nonprofit and proprietary organizations including highly sophisticated multi-state entities operating diverse business lines as well as small, independently operated organizations. We count among our membership agencies established in the 1800s to recent startups, faith-based organizations and many holding national affiliations, such as Arc chapters, UCP affiliates, Easter Seals, Goodwill, and more. Collectively our membership brings together a strong network in every state.

The majority of funding for our members comes from the Medicaid Home and Community-Based Services (HCBS) and Intermediate Care Program for Individuals with Intellectual Disabilities (ICF/IID) programs. These programs empower Americans with I/DD to live healthy and inclusive lives in the community in the most cost-effective way possible. We are excited about your new leadership because state Medicaid agencies need both the flexibility and the resources to properly manage and expand the HCBS and ICF/IID programs.

In February, ANCOR was asked to present its [five year vision for Medicaid](#) to the Senate Finance Committee Majority staff. The purpose of this letter is to share a sampling of what we recommended, expand on what we think this Administration could do to improve Medicaid services for people with disabilities, and to request meeting with you in person to further elaborate on our recommendations. We hope to serve as a resource to you in the provision of community services for people with disabilities and look forward to the opportunities this could present.

Addressing the Workforce Crisis for HCBS Providers

We are facing a serious workforce crisis for our key support staff, [Direct Support Professionals \(DSPs\)](#). A DSP is a person who assists an individual with a disability to lead an independent life and contribute to the community, assists with activities of daily living if needed, and community inclusion. ANCOR has worked on the issue of the workforce crisis for decades, but with a growing aging population and more people with disabilities receiving community services, federal statistics as well as reports from on the ground indicate that the programs we represent are struggling to hire and retain staff with the increasing need for services. Our members are

responsible for providing services so that individuals with disabilities remain in the community, costs to the state Medicaid program are reduced and state Medicaid waiting lists for HCBS are reduced and eventually eliminated.

However, an adequate workforce is not available to meet these goals. ANCOR [released a national workforce report](#) in March highlighting solutions to the crisis. In 2016, we led a campaign highlighting how unfunded federal rules like the proposed overtime exemption rule can serve as a further impediment to the development of the workforce if not administered with consideration of the Medicaid program. In the course of that campaign, we found that it was critically important for collaboration to occur between the Departments of Labor, Health and Human Services (HHS), and the Centers for Medicare and Medicaid Services (CMS) to address the workforce issue. The value of having the Department of HHS and Agency of CMS to amply weigh in on labor issues should not be underestimated; the future of the healthcare workforce, one of the fastest growing workforces in the nation, depends on it. **One immediate action that HHS/CMS could take is to request Direct Support Professionals have their own standard occupational classification so that the Department of Labor and Bureau of Labor Statistics properly collect data for this workforce.**

Support the Use of Technology for the Provision of Services

One major piece of solving the workforce crisis lies in technology because it can both supplement and substitute the human capital deficits that the workforce faces. Remote technology and accessible technological devices allow for provision of many reliable, cost-savings services while also allowing the individual being served to learn and experience greater independence in both HCBS and ICF/IID settings. However, many states do not fully exercise use of technology because of lack of federal incentives and guidance. Ultimately, only a handful of states have begun to explore the benefits of using technology to modernize their provision of services to individuals with disabilities. **It will require a letter from you in your leadership role to the states explaining the cost benefits of technology and the ability of the state to use it in accordance with their state plans, waivers, and ICFs/IID.** In addition to issuing this guidance letter, we further encourage that savings acquired from use of technology be reinvested back into workforce development addressing again the serious workforce crisis at hand.

Increase Opportunities to Address Housing Issues for Medicaid Beneficiaries

Many Americans with intellectual and developmental disabilities depend on our members for the provision of housing along with residential supports – but while housing is a component of institutional care, it is not incorporated into Medicaid's rate reimbursements for community supports. Of individuals with intellectual and developmental disabilities 75% live in their family homes and oftentimes with aging parents. It is essential we begin to address the housing issue and **we recommend opportunities within the 1115 demonstration authority be used** to explore quality outcomes based on provision of housing costs.

Uphold But Delay HCBS Settings Rule

ANCOR has been involved in discussions with CMS since the finalization of the HCBS Settings rule in 2014. We have worked diligently with our members to educate them on the process, keep them updated on the status of statewide transition plans, and were involved in improving transparency by working with CMS to post the plans for public view on the CMS HCBS website. First and foremost, we seek assurance that the intent of the rule will

be upheld. ANCOR, joined by 43 other national disability organizations, sent a letter to Congress in 2015, confirming our shared support for the spirit of the rule.

With our support for the rule in mind, ANCOR would like CMS to understand the challenge that the 2019 compliance date presents. To date only one state has a finalized statewide transition plan and a significant amount of states have no level of approval of their transition plans. Providers of community services for people with disabilities need a clear and timely framework from states in order to effectively put programmatic changes in place. These changes will also require a careful calculation of the budget and many states, following this spring, will not revisit their budgets until 2019. **We therefore encourage and express our support to extend the implementation date to March 17, 2024 to allow states the time they need to confirm their processes at the federal level and then create an efficient and effective process in their work with providers. Furthermore, we request that CMS and all states be directed to complete the state transition plan approval process no later than March 17, 2019.**

Encourage State Flexibility

Finally, ANCOR hopes to engage with you further on alternative payment models for Medicaid HCBS services. We have participated in these conversations for many years with CMS and HHS leadership as well as in Congress and are encouraged by your expertise that we can now see the Agency explore these innovative options. While there is an important role for federal oversight (demonstrated by the outcome of the Supreme Court of the United States case *Armstrong v. Exceptional Child, Inc.* where the Court directed private providers to CMS to enforce adequate rates), we also appreciate your recent communication to Governors about the benefits to certain state flexibilities. **One example is that the requirement for states to waive institutional services in order to provide community services is outdated and creates an onerous process that only serves to build waiting lists and discourage cost savings. We further believe it is important to explore outcome and value based payments as opposed to fee for service structures in our arena of services.** We hope to share our publications and research on these topics, and to be a resource to you as you consider the developments of this Administration.

Thank you for consideration of our recommendations. We look forward to your ongoing leadership and thank you for your public service. For further information on any of these items please contact our Senior Director of Government Relations, Esme Grant Grewal, at egrant@ancor.org or 202-579-7789. We will be in touch to schedule a meeting with you in the near future.

Sincerely,

A handwritten signature in black ink that reads "Barbara Merrill". The signature is written in a cursive, flowing style.

Barbara Merrill
Chief Executive Officer
ANCOR