



Talking points

- A recent *Executive Office of Health and Human Services* report found that two decades of neglect and lack of funding has imperiled the human services provider industry and put the industry “**at risk**”.
- This neglect has:
 - **Placed the industry near bankruptcy;**
 - **Created high turnover among caregivers;** and ,
 - **Produced a lack of continuity of care.**
- Serving one million people, the human services system in Massachusetts is an important economic engine:
 - 185,000 workers are employed in the field;
 - More than \$100 million in tax revenue is paid to the state and its cities and towns;
 - Payroll exceeding \$2 billion; and
 - Among the fastest growing sectors of the economy – the workforce grew by 18 percent from 1998 to 2003, while the state’s overall work force grew only 1.7 percent during the same period.
- The state has not appropriated any money since 1987 to reflect the increased operating costs of providing care in community-based settings. Because of this neglect, **a majority of providers are struggling to maintain quality services. Two decades of rising personnel costs, health insurance and benefits, utilities and transportation costs have eroded funds available for services and staff.**
- This has led to the severe crisis in care that is being felt throughout the system today:
 - Low pay;
 - Unfilled vacancies;
 - Massive turnover among direct care supervisors and workers; and,
 - Cuts in training funds and other support services.
- *The Campaign to Strengthen the Human Services* supports S.65, legislation to modernize the outdated procurement system of the Commonwealth’s human services industry. This legislation will reform decades-old funding systems to appropriately reimburse human service providers for the care they provide. Should the workforce doing the essential work of the Commonwealth also be our working poor?

Frequently Asked Questions

Q: How much money will this legislation cost the Commonwealth?

In effect, this won't actually cost the state anything. This bill will simply establish what true market rates are for necessary services. The current rates are set at 1987 levels, which is unworkable for providers. What the legislation will do is help establish the real cost for services provided. Because of the dysfunctional approach to reimbursements, the state does not know the total cost of providing services to these consumers/clients/program participants. This bill is the fiscally responsible approach and will enable the state to deliver the level of service quality it has mandated.

Q: Has the quality of care you provide suffered for a lack of funds?

The level of care has diminished because low salaries make it impossible to keep talented and dedicated staff on board. Our staff members are very good at their jobs, but more often than not, they move on to other jobs that pay a fair wage. Who can blame them?

The Patrick Administration just released a very telling report that warns of a growing crisis in the system because underfunded providers are facing dire financial straits. The report is available at <http://www.providers.org/publicpolicy/financialhealth.pdf>.

Q: If funding is such a problem, why are you still in business? How are you making ends meet?

It is a massive struggle. More than 20% of providers are operating at a deficit, and 60% do not have more than one month's operating reserve on hand. That is a crisis.

Still, our mission-driven commitment forces us to press on. We defer expenses as best we can, and sadly, are forced to keep salaries – our major expense – low. We are all holding on for the day when fairness returns to the funding system. In the meantime, we are forced to provide quality services on a shoestring. We look for efficiencies where we can, although that is getting more difficult each year since our fixed costs continue to increase.

Q: Have other providers gone out of business? What have you done to allow yourself to survive?

Our industry has seen a number of mergers and the shifting of contracts to larger organizations. But every time that happens, quality suffers. When one provider leaves an area, there are consumers/clients/program participants who are left with a need that may not be filled.

Even the large organizations have major problems with meeting the rising costs of health care, energy, maintenance and hiring a qualified staff. No one is exempt from these issues. So far the only solution has been to shift the problems to agencies that currently have some degree of stability. This is not a good answer. The other mechanisms have been to limit salaries and cut program expenses that may help the consumers/clients/program participants.

Q: How are we going to pay for this?

That would be up to the legislative leaders to decide. However, we are in favor of exploring a number of different ways to fund this, including broad-based taxes or decreasing the number of services purchased by the state. But one thing is for certain, the state cannot continue to have community-based human service providers do more and more each year for less and less.