



# BROKEN PROMISES:

Are Oregon Group Homes Failing People  
with Developmental Disabilities?

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# I. EXECUTIVE SUMMARY

*“[People with disabilities are guaranteed] ...access to needed community services, individualized supports, and other forms of assistance that promote self-determination, independence, productivity, and integration and inclusion in all facets of community life.”*

— *The Developmental Disabilities Assistance and Bill of Rights Act*

*“[People with disabilities have] the right ... to live independently, enjoy self-determination, make choices, contribute to society, pursue meaningful careers and enjoy full inclusion and integration in the economic, political, social, cultural and educational mainstream of American society.”*

— *The Rehabilitation Act of 1973 as amended, 29U.S.C.794*

*“[Services and Supports for Oregonians with disabilities] should be ultimately focused on the outcomes of independence, integration and productivity.”*

— *Oregon Revised Statute 427.007*

Oregon’s publicly funded group home and employment systems for people with intellectual and/or developmental disabilities (I/DD) are in crisis. These settings provide support at significant expense to the state, are inherently restrictive, and face a sustained workforce crisis given the low compensation paid to and lack of career path for Direct Support Providers (DSPs). Consequently, this system does not ensure dignity, independence, choice, or even basic physical safety of the people it was designed to serve. Oregon’s promises to people with I/DD have not been kept.

## **AUTONOMY**

People with I/DD who receive residential services are denied autonomy: people with I/DD are offered inadequate choices in housing and services; receive limited work opportunities which frequently include sub-minimum wages and segregated work environments; and are given a guardianship framework that limits legal, financial, and medical independence.

Service providers within this system have diverse business models that may include case management, property ownership or maintenance, and employment services. In some instances, a single entity may perform two or more of these functions. This is too much control over one person’s life.

## **LIVING WAGES FOR ALL WORKERS**

Both Direct Support Providers (DSPs) and workers with developmental disabilities remaining in sheltered employment deserve living wages; no one should be paid less than minimum wage.

The workforce that Oregonians with disabilities rely on for supports and services faces their own set of crises that threaten the quality and delivery of services. Wages barely above the legal minimum keep DSPs in poverty and contribute to the extremely high turnover rate – 90% per year, the highest of any care sector in the state. Chronic understaffing resulting from the instability of the care workforce makes it impossible to deliver critical services, and puts people with I/DD at risk.

## **SAFETY**

Group homes often fail to keep people safe. Data from the Office of Adult Abuse Prevention and Investigation (OAPPI) shows that, on average, group homes represent 70% of all substantiated abuse investigations in I/DD settings, exceeding substantiated cases in Adult Foster Homes and Supported Living. Compounding the efforts of frontline workers to combat abuse and protect the people they support is the fact that whistleblower protections for mandatory reporters are insufficient.

## **CHOICE**

Oregonians with disabilities need meaningful choices about how and where they receive supports and services. The state must safeguard civil rights within the services they administer, including the right to minimum wages in integrated employment settings, and the right to maintain control over one's own legal, financial, and medical decisions.

Group homes have among the highest Medicaid reimbursement rates of any care setting in Oregon, yet are subject to minimal financial disclosure. Lack of reporting makes it difficult to verify that funding is spent as intended. Lack of transparency prevents consumers from making informed choices based on publicly-available quality metrics.

## **POLICY SOLUTIONS**

The workforce that provides supports needs to be stabilized and strengthened with significantly increased wages, real whistleblower protections and adequate staffing that meets the goals and supports of an individual's support plan (ISP.) Provider agencies must be required to staff adequately to meet their clients' needs, and must be subject to real financial transparency and significant and consistent penalties for service violations and abuse.

Oregon must work to keep its promise to people with disabilities. All Oregonians deserve independence, dignity, choice, community integration, and safety.

## **II. SYSTEM OVERVIEW**

700,000 Oregonians over the age of 18—22 percent of the state's population—identify as having a disability.<sup>1</sup> Over 25,000 Oregonians with intellectual or developmental disabilities (I/DD) receive publicly funded case management services, of which 20,795 individuals receive supports and services at home and in licensed settings. The number of Oregonians receiving services is steadily growing and is not projected to plateau until after 2020.<sup>2</sup> These supports and services are provided by 14,000 Direct Support Providers (DSPs) and 11,700 Personal Support Workers (PSWs).<sup>3</sup>

Funding for Office of Developmental Disability Services (ODDS) programs is a mix of state general funds and federal Medicaid funding delivered through several waivers—HCBS 1915 (c) waivers and the Community First Choice Plan 1915(k) (“K-Plan”). 90 percent of group home revenue is attributed to Medicaid.

<b>ODDS Budget (\$millions)</b>			
<b>Revenue Source</b>	<b>2013-2015</b>	<b>2015-2017<sup>4</sup></b>	<b>2017-2019<sup>5</sup></b>
General Fund	\$583	\$690	\$893.9
Other Funds	\$39	\$36	\$1,800
Federal Funds	\$1,177	\$1,400	
<b>Total</b>	<b>\$1,799</b>	<b>\$2,100</b>	<b>\$2,700</b>

The supports and services described in this section, including case management and employment support, are delivered primarily by private, non-profit companies. Some of these companies, such as Alternative Services, Inc. (ASI), hold multiple public contracts. Other providers, such as Edwards Center, operate group homes and sheltered workshops. These businesses provide diverse publicly funded services centered on individuals with I/DD.

## **SERVICE ENROLLMENT**

15,920 adults received publicly subsidized supports and services over the 2015-2017 biennium, of which 2,787 received services in group homes.<sup>6</sup> Case management enrollment for adults and children is projected to increase 11.4% in the 2017-2019 biennium.

Much of the caseload growth is happening in home settings and is driven by Oregon's adoption of the K-Plan. The K-Plan eliminated the \$21,562 funding cap on services, increased the federal match percentage (FMAP) for Medicaid by 6%, and changed eligibility for adults and children.<sup>7</sup>

<b>DHS, IDD Programs, Caseload Forecast</b>		
<b>IDD Service</b>	<b>2015-2017</b>	<b>2017-2019</b>
Brokerage	7,676	7,769
Comprehensive In-Home	1,499	2,132
Adult Foster Care	3,154	3,254
Group Homes	2,787	2,835
Supported Living	700	700
SACU	104	104
<b>Total</b>	<b>15,920</b>	<b>16,794</b>

## **PATHWAY TO SERVICES**

The Department of Human Services contracts with regional case management entities— Community Developmental Disability Programs (CDDPs) and brokerages—to deliver supports and services to Oregonians with I/DD. 30 CDDPs—which may be counties, local mental health authorities, or private

companies—serve Oregon’s 36 counties and the Warm Springs Reservation. 14 Support Service Brokerages serve 7,500 adults and may serve up to 7,800 under the terms of the Medicaid waiver.<sup>8</sup>

CDDPS are the point of entry for individuals receiving services; they manage the initial intake process, verify eligibility based on IQ and income, and inform people of their right to choose either the CDDP or brokerage as their case management entity.<sup>9</sup> Case management entities perform the following services:<sup>10</sup>

- ▶ Assessments
- ▶ Individual Support Plans
- ▶ Service Referrals
- ▶ Billing
- ▶ Quality Assurance
- ▶ Abuse Investigation (CDDP)
- ▶ Licensing (CDDP)

The case management entity then performs a Level of Care Assessment and a Functional Needs Assessment, and then works with the person and the person’s support team to develop an Individual Support Plan (ISP). The ISP is used to identify, describe, and bill for appropriate services.

## OVERVIEW OF PROVIDERS

CDDPs are required to provide people with three options for residential services, two of which must be different types of residential settings:<sup>11</sup>

Services	Providers	Sites	Beds
Group Home	84	765	1276
Supported Living <sup>12</sup>	57	106	—
Adult Foster Home <sup>13</sup>	—	832	3154

Currently, 2,891 adults receive services in group homes provided by 14,000 DSPs. The reimbursement rate for group homes corresponds to a person’s Support Intensity Scale Assessment (SIS) and the licensed capacity of the home. The rates range from a low of \$2,888 per month to \$15,611 per month.<sup>14</sup>

Capacity	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6
9 or more	\$2,888.08	\$2,891.20	\$2,892.24	\$3,365.44	\$4,158.96	\$4,710.16
6-8 people	\$3,786.64	\$4,131.92	\$4,465.76	\$5,402.80	\$6,676.80	\$7,561.84
4-5 people	\$5,194.80	\$5,988.32	\$6,470.88	\$7,829.12	\$9,752.08	\$11,435.84
3 or fewer people	\$5,194.80	\$5,988.32	\$6,470.88	\$11,687.52	\$13,317.20	\$15,611.44

Group home providers received about \$579 million to provide services over the 2015-2017 biennium, 90%

of which came from Medicaid payments.<sup>15</sup>

In addition, people living in the home must also pay a monthly room and board fee of \$571, as Medicaid does not pay for housing. The low cost of room and board is significant—the median cost of housing for Oregon in 2015 was \$1,021, well above the maximum SSI benefit of \$735. Although the cost of providing supports and services in a person’s home is 225% less expensive than facility-based care, the lack of affordable housing makes it challenging to pursue independent living.<sup>16</sup>

<b>Avg. Mo Cast per Case</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Adult Residential	\$5735.00	\$6301.00	\$6541.00
Adult In-Home	\$892.00	\$1382.00	\$2010.00

## **HOW DO PEOPLE WHO LIVE IN GROUP HOMES FIND EMPLOYMENT?**

Only 28% of adults with disabilities in Oregon are employed. ODDS services have an “Employment First” policy and provide employment supports to 6,302 people. These programs are funded through the federal Vocational Rehabilitation grant and Medicaid. These programs are undergoing significant changes due to:

- ▶ The federal Workforce Innovation and Opportunity Act of 2014, which mandates provision of services to school-age youth
- ▶ 2013’s State Executive Order 15-01, which set competitive integrated employment outcomes for people with I/DD
- ▶ 2015’s Lane v. Brown settlement, which set specific benchmarks for transitioning people with I/DD from sheltered workshops that pay sub-minimum wages to competitive integrated employment

<b>Employment Data and Average Wages, March 2016<sup>17</sup></b>		
<b>Employment Category</b>	<b>Individuals</b>	<b>Average Wage</b>
Adult Residential	841	\$9.69
Adult In-Home	591	\$9.25
Employment Path-Community	957	\$4.83
Employment Path-Facility	1452	\$6.99

Of the remaining sheltered workshops, 14 are affiliated with group homes.<sup>18</sup> These businesses are licensed Qualified Rehabilitation Facilities (QRFs) which entitles them to preferential consideration when bidding on public contracts. These service providers then receive a modest payment for employment supports and value of the public contract, all while paying workers less than minimum wage.

<b>Group Home Providers <sup>19</sup></b>	<b>FY14 SE50 Payments</b>	<b>FY15 SE50 Payments</b>	<b>Sheltered Workshop</b>
ALBERTINA KERR CENTERS	\$15,008,045.05	\$16,481,601.06	X

ALTERNATIVE SVCS OREGON INC	\$15,236,663.01	\$15,425,160.96	X
COAST REHAB SERVICES	\$6,781,013.34	\$6,674,610.92	X
EASTCO DIVERSIFIED SERVICES	\$2,094,064.04	\$2,072,644.55	X
EDWARDS CENTER INC	\$5,222,333.02	\$5,290,745.21	X
HORIZON PROJECT INC	\$5,474,451.01	\$5,491,931.86	X
MARIE MILLS CENTER, INC.	\$746,185.21	\$762,939.79	X
MV ADVANCEMENTS FKA MID VALLEY REHAB	\$1,953,085.49	\$2,485,470.80	X
PORTLAND METRO RES SERVICES	\$4,306,034.72	\$4,404,149.21	X
SHANGRI-LA CORP	\$8,733,474.09	\$8,923,347.49	X
SOUTHERN OREGON ASPIRE	\$4,109,982.99	\$4,906,391.25	X
STEP FORWARD, INC.	\$2,398,350.14	\$2,440,733.89	X
W.I.T.C.O.	\$786,404.32	\$786,396.00	X
WORK UNLIMITED, INC.	\$3,472,138.06	\$3,628,291.37	X

### III. DIRECT SUPPORT PROFESSIONALS — LOW WAGES, HIGH TURNOVER, INADEQUATE STAFFING

#### LOW WAGES

The cost for group home services is significantly higher than other I/DD services and the basic rate for nursing homes.

<b>Cost Per Case, I/DD Services for Adults, July 2016 Comparison to NH Reimbursement Rate<sup>20</sup></b>				
<b>In-Home Services</b>	<b>Supported Living</b>	<b>Adult Foster Care</b>	<b>Group Home</b>	<b>NH Basic Rate<sup>21</sup></b>
\$2,408	\$5,213	\$5,079	\$9,123	\$7,958.69

Despite significant state funding for group homes, DSPs earn very low wages—an issue that contributes to the highest turnover rate of any long-term service field in the state. Constant turnover creates instability in support services which, combined with chronic and dangerous understaffing, creates an environment that can be unsafe for people receiving services, and a life of poverty for those providing them.

Low wages are often cited, both by DSPs and by group home providers, as the main cause of a workforce shortage and turnover. Although there have been attempts to raise wages in the past, new legislation is needed to ensure that increases to the rate model are accompanied by increases to DSPs' wages. Livable

wages and professional development for workers will improve services for people with I/DD.

In 2008, DHS updated its reimbursement model for group home providers. This model is calculated on a number of factors, including DSP wages. While the state does not directly set DSP wage rates, the 2008 model is based on an assumption of an hourly wage of \$12.94. However, due to staff changes within the agency and providers' misunderstanding of the 2008 model, providers believed the wage model was \$10.80. Until 2016 they used this wage rate to advocate for increased funding.

In the 2015 legislative session, the Oregon Resource Association, Community Provider Association of Oregon, IDD Coalition, and numerous DSPs – with the support of ODDS – advocated for an increase to the wage model to better address turnover and workforce shortages. The Legislature passed policy option package 111 within HB 5206, approving a 4% increase to the DSP model wage, which would have raised the model average from \$10.80 to \$11.23.<sup>22</sup> However, because the 2008 model was predicated on a DSP wage of \$12.94, the 4% increase should have raised the average wage to \$13.45.

In addition to the problems described above, the model is not a mandated minimum wage. As of the fourth quarter of 2016, 22 providers' starting pay for DSPs was below the budgeted wage with the 4% increase of \$11.23 per hour; 14 agencies' starting pay for DSPs was below the initially budgeted \$10.80 per hour; and 32 agencies were below the \$12.94 and \$13.45 models.<sup>23</sup> The average starting wage across all providers was \$10.88.<sup>24</sup>

Even where the rate increase has translated to higher wages, DSP wages fall short of a “self-sufficiency” wage—the wage necessary to provide food, child care, health insurance, housing, transportation, and other basic necessities.<sup>25</sup> For example, the self-sufficiency wage formula stipulates a wage of \$11.42 per hour for a single adult with a preschool-age child in Multnomah County, a rate above the state DD50 model even when including the 4% increase.<sup>26</sup>

## **HIGH TURNOVER**

Because of low wages and high demands, the DSP workforce experiences extremely high turnover. While turnover remains a problem in all long-term care settings, it strikes DSPs hardest: Oregon's DSPs have the highest rate of turnover at 90 percent.<sup>27</sup> Low wages for DSPs are directly related to the workforce's high turnover: a number of providers cite competitiveness with wages in the fast food industry as a factor in determining wages paid to DSPs.<sup>28</sup>

Also contributing to high turnover is the lack of a career path with the potential for advancement. While most providers have roles such as lead DSP or house manager that entry-level workers can aspire to, these jobs pay similarly low wages—group home supervisors at one agency earn \$30,588 per year,<sup>29</sup> for instance—making DSP work as a career path financially unsustainable.<sup>30</sup>

Oregon lacks a standardized training curriculum for DSPs.<sup>31</sup> Providers are required to train DSPs in core competencies, but there is no standardized training program that binds DSPs together as a workforce. A lack of ongoing professional development has been cited among the reasons that DSPs leave the field.<sup>32</sup>

Turnover and overtime dependence significantly increases operating costs for providers. For example, one provider paid over \$1 million in overtime in 2015 while another spent \$158,000 in a year on training.<sup>33</sup> While eliminating turnover altogether is not practical, even with a turnover rate of 64%—the average across all sectors of Oregon's long-term care workforce—the total cost of turnover could fall to \$89,600,000. These

savings could allow for an across-the-board wage increase of \$1.25 per hour. Rising wages would help further stem the extreme turnover rate.<sup>34</sup>

<b>Cost of Training Due to Turnover Based on DSP Workforce of 14,000 and Turnover Cost of \$10,000/year</b>			
<b>Turnover Rate</b>	<b>Total Turnover Cost</b>	<b>Hourly Increase from Savings</b>	<b>Adjusted for Employer Share of Payroll Tax<sup>35</sup></b>
90%	\$126,000,000	\$4.33	\$3.78
64%	\$89,600,000	\$3.08	\$2.68

## **INADEQUATE STAFFING**

Understaffing in group homes is another major problem that affects both the quality of services provided by DSPs, and DSPs' quality of life. Closely linked to the issues of low pay and high turnover in the DSP workforce, understaffing reduces consumer independence, contributes to instances of neglect and abuse, and exacerbates workforce turnover.<sup>36</sup>

Consumers each have an Individual Support Plan (ISP) that details the types of supports that they require to meet their goals and live their day-to-day lives. The ISP is person-centered and is focused on what is important to the consumer, what they strive to achieve, and the support they need to succeed.

However, minimum staffing ratios (as defined in state rules) do not take into account the staffing requirements of ISPs except in cases where the ISP would allow for lower staffing levels.<sup>37</sup> The most common outcome is that providers fail to schedule adequate staffing or alter staffing plans, leading to ratios that are too low to provide essential supports.<sup>38</sup> This understaffing endangers consumers and puts progress toward their person-centered goals at risk.

## **CONSUMER SAFETY**

The Department of Human Services' Office of Developmental Disability Services (ODDS) tracks hundreds of substantiated reports of abuse in group homes each year, including restraint and seclusion, sexual assault, physical abuse resulting in serious injuries, and threats of physical and sexual violence. Neglect reports include falls resulting in broken bones; failure to administer medication (or administering the wrong medication); medical neglect leading to seizures; and overdose.

A substantial number of abuse complaints received by ODDS are categorized as neglect, and a significant portion of the complaints in that category reference consumers going without services. Several complaints specifically identify changes to staffing plans that caused a consumer to fall below the required amount of support staff.<sup>39</sup>



“Nobody reports abuse in group homes. Because if they do they will be fired. Officially, you can’t be fired for reporting, but they can fire you for no reason whatsoever, and it’s an “odd coincidence” that it happens right after you reported something. I saw a woman forced to stay in her bed and wet herself because staff weren’t trained the right way to lift her, and too many people were getting hurt, and so they made this lady stay in bed. She would cry because she still wanted to go to the bathroom, but they wouldn’t let her out.”

— B B, former group home worker, Oregon.

## **SHORT STAFFING PUTS PEOPLE WITH DISABILITIES AT RISK**

Understaffing is both a product of, and a contributor to, the high level of turnover in the DSP workforce. Providers report large numbers of unfilled positions which require remaining workers to provide services when already overburdened and short-staffed.<sup>40</sup> The additional stress of compensating for vacancies atop already significant responsibilities poses a severe challenge to DSPs longevity in these jobs.<sup>41</sup>

Overall, low wages and high turnover are major roadblocks to maintaining an adequate DSP workforce and ensuring quality services for people with developmental disabilities. Without stable staffing and quality wages, the workforce will remain in a constant state of flux, and will continue to negatively impact the quality and consistency of supports and services provided to consumers.

## **WORKERS’ VOICES**

### **WAGES**

*“Most of us make about \$11 or \$12 per hour. But we don’t start at that much - \$9.90 or \$10.20 per hour. We are the heart of the company. We are the ones taking care of people and we give the best care that we possibly can.*

*It’s hard when we are doing our best to give good care to know that you are at the bottom of the totem pole, even when you are the one supporting this provider.*

*We are the backbone and the soul of the company. We are the ones doing everything. We are these clients’ main emotional support, because a lot of them don’t have family. And when we aren’t getting paid very much it doesn’t entice people to stick around and be consistent and reliable.*

*It would show respect and value to our work if we made a more livable wage. It would help keep employees around longer, so that the turnover wouldn’t be so high and wouldn’t affect our clients as hard.”*

— Amber Decker, Direct Support Provider, Portland

### **TURNOVER**

*“Even when there’s a regular shift change, it can be stressful for consumers. When it’s actually new staff coming in, it’s really difficult. It’s change. You have to realize that almost everyone*

*has a very routine life, including the people we take care of. It's all about the consistency and the routine that makes them feel safe and more comfortable. So if they don't have that, if it's interrupted, if things change, then they don't feel safe.*

*If I have a plan for the day, and I know what I'm going to do, how much time it's going to take, etc., and it gets disrupted, I get mad. Imagine if you constantly have to adjust to new people in your life, especially who you rely on for so many personal things. It's totally understandable that consumers feel confused, frightened, or upset when their routines are disrupted.”*

— Ebony Friese, Direct Support Provider, Portland

## **UNDERSTAFFING**

*It can be a struggle to meet ISP goals when we are under staffed.*

*“I think the reason we are often understaffed is wages. Most people don't want to do a job like this long-term for such low wages.*

*Every day we have clients who want to do things or go places but we can't always do what we planned, and they get frustrated. We need to constantly reassure them that our plans are haven't changed.*

*Sometimes we have to make a decision over whether we're going to do chores or client activities. Chores like doing laundry, making beds, cleaning.*

*I've had situations where I needed to get someone up and I couldn't do it alone. I called management and they couldn't come help me. I did get them up by myself but it took a long time and I nearly missed a medication dose.*

*Understaffing really affects care – I don't mean in-home care, I mean in the community. I have flight-risk clients. If we're in public, and one tries to take off, it's dangerous. You can't just abandon other people you're looking after.”*

— Debbie Price, Direct Support Provider, Portland

## **IV. I/DD SYSTEM SUFFERS FROM LACK OF TRANSPARENCY AND ENFORCEMENT**

The lack of transparency throughout the system challenges consumer choice, policy reform, and compliance.

### **MINIMAL FINANCIAL TRANSPARENCY**

Funding for supports and services for people with I/DD was \$2.1 billion total funds in the 2015-2017 biennium, or 21% of DHS's total budget.<sup>42</sup> In fiscal year 2015, State Medicaid payments to group home

providers totaled \$268 million, or 26% of DHS’s budget for IDD services for the year.<sup>43</sup> The average cost per case is significantly higher in group homes than in other I/DD services, and is 13% more expensive than the monthly basic rate for nursing homes with certified medication aides or nursing assistants.

<b>Cost Per Case, I/DD Services for Adults, July 2016 Comparison to NH Reimbursement Rate<sup>44</sup></b>				
<b>In-Home Services</b>	<b>Supported Living</b>	<b>Adult Foster Care</b>	<b>Group Home</b>	<b>NH Basic Rate<sup>45</sup></b>
\$2,408	\$5,213	\$5,079	\$9,123	\$7,958.69

Unlike other long-term care settings that have a mix of public and private payers, 90% of group home funding is attributed to Medicaid. Yet there are minimal requirements for financial transparency.<sup>46</sup> While providers that receive over \$1 million in Medicaid payments over a fiscal year must submit to an audit once a biennium, they are not required to report their operating expenses in the level of detail required of nursing homes.<sup>47</sup>

Despite this lack of transparency, group home providers have requested rate increases in the current and previous legislative sessions, stating that the funding model is inadequate. Although some nonprofit providers ended 2014 with negative income, others closed the year with income ranging from \$81 thousand to \$3.2 million. Without financial reporting, it is impossible to assess whether the cost of care is exceeding the rates paid by the state.

<b>Analysis of Group Home Providers’ 990s (2014)<sup>48</sup></b>			
<b>Group Home Provider</b>	<b>Revenue</b>	<b>(Expense)</b>	<b>Revenue Less Expense</b>
ALBERTINA KERR CENTERS	\$44,657,053	\$41,369,966	\$3,287,087
ALTERNATIVE SVCS-OREGON, INC	\$19,739,707	\$18,635,418	\$1,104,289
OREGON MENNONITE RES SVCS	\$5,543,897	\$4,663,364	\$880,533
DOUGLAS RESIDENT TRAINING FACILITIES	\$4,243,284	\$3,452,428	\$790,856
UMPQUA HOMES – HANDICAPPED	\$7,283,309	\$6,630,725	\$652,584
RISE, INC	\$13,074,770	\$12,429,255	\$645,515
SHANGRI-LA CORP	\$20,467,056	\$19,830,945	\$636,111
ADULT LEARNING SYSTEMS	\$9,615,102	\$8,985,631	\$629,471
COMMUNITY SERVICES, INC	\$10,742,718	\$10,228,746	\$513,972
EDWARDS CENTER, INC	\$9,790,301	\$9,280,779	\$509,522
PORTLAND METRO RES SERVICES	\$4,722,307	\$4,228,369	\$493,938
HORIZON PROJECT, INC	\$8,048,974	\$7,574,696	\$474,278

UP & OUT, INC	\$2,667,868	\$2,230,732	\$437,136
SOUTHERN OREGON ASPIRE	\$9,292,791	\$9,029,424	\$263,367
NW MENTAL HEALTH MGMT SVCS	\$3,687,887	\$3,448,432	\$239,455
RON WILSON CENTER	\$6,065,250	\$5,857,378	\$207,872
PATHWAY ENTERPRISES, INC	\$4,889,410	\$4,696,203	\$193,207
BENCO	\$4,576,375	\$4,421,141	\$155,234
PARTNERSHIPS IN COMMUNITY LIVING	\$26,885,764	\$26,804,656	\$81,108

## ABUSE GOES UNPUNISHED

There is little publicly available information on abuse or quality in Oregon's group homes, making these services opaque in comparison to licensed long-term care settings. DHS maintains a public database of substantiated abuse cases in facilities licensed by the Aging and People with Disabilities Division (APD).<sup>49</sup> In the nursing home sector, the Centers for Medicare and Medicaid Services maintains the Nursing Home Compare database where facility surveys are published and individual facilities are assigned a rating based on quality of care.<sup>50</sup>

The only publicly available information on abuse in I/DD settings is the aggregate data published in the Office of Adult Abuse Prevention (OAPPI) annual reports. The OAPPI data shows that group homes represented, on average, 71 of substantiated abuse claims between 2010 and 2015.

OAPPI Substantiated Claims, I/DD Settings, Annual Reports						
Licensed/Certified Settings	2010	2011	2012	2013	2014	2015
Employment & Day	59	47	51	28	58	36
Group	377	373	394	360	307	327
Adult Foster Home	69	63	82	100	82	83
Supported Living	16	20	12	15	21	19
Total	521	503	539	503	468	465

We received the abuse complaints and their finding (substantiated, not substantiated, inconclusive, closed without outcome) from OAPPI for 2013, 2014 and 2015. There is discrepancy between the data published in the OAPPI report and the records that were provided. According to the data provided by the state, OAPPI investigated 1808 abuse cases in group homes between 2013 and 2015.

<b>OAPPI Abuse Investigations, 2013-2015</b>				
<b>Abuse Type</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Total</b>
Abandonment	2	—	—	2
Financial	106	90	63	259
Neglect	315	261	301	877
Physical Abuse	45	47	46	138
Restraint	25	35	27	87
Restriction	25	27	13	65
Sexual Abuse	7	10	9	26
Verbal Abuse	144	98	112	354
<b>Grand Total</b>	<b>669</b>	<b>568</b>	<b>571</b>	<b>1808</b>

OAPPI's data showed that for each year, between 41% and 54% of abuse investigations were substantiated.

<b>OAPPI Case Determinations (Percent of Total Investigated)</b>			
<b>Case Results</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Closed w/o outcome	—	—	—
Inconclusive	12%	16%	14%
Not Substantiated	33%	31%	32%
Substantiated	54%	53%	41%
Not on file	—	1%	12%

Analysis of substantiated cases by abuse category shows that neglect, financial, and verbal are the most frequent categories of substantiated claims.

<b>OAPPI Substantiated Cases by Category of Abuse, 2013-2015</b>				
<b>Abuse Type</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Total</b>
Abandonment	2	—	—	2
Financial	76	56	27	159
Neglect	186	151	151	488
Physical Abuse	10	15	5	30
Restraint	12	23	4	39

Restriction	7	12	4	23
Sexual Abuse	—	3	2	5
Verbal Abuse	71	39	43	153
Grand Total	364	299	236	899

The Office of Licensing and Regulatory Oversight (OLRO) is the agency that determines the penalty or corrective action after OAPPI makes a determination about the complaint.

<b>ORLO Outcomes to Substantiated Abuse Cases, 2013-2015</b>				
<b>Outcome</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Total</b>
Condition	—	2	—	2
Fine	60	157	108	325
Letter	2	2	2	6
No action	249	121	66	436
Not on file	51	17	60	128
Revocation	2	—	—	2
Total	364	299	236	899

OLRO's data on substantiated cases over this period showed that many cases did not result in penalties or the agency did not have the outcomes on file.

<b>Percent of Substantiated Cases That Received No Outcome Of Outcome Was Not On File</b>		
<b>2013</b>	<b>2014</b>	<b>2015</b>
82%	46%	53%

#### *Business Model of IDD Supports and Services and Potential for Conflicts of Interest*

Oregon's transition from an institutional model gave rise to a model where many government functions are outsourced to private companies. While most group home providers in Oregon are nonprofits, 84% these same companies have business segments that include case management contracts, employment supports, sheltered workshops, training entities, and maintenance contracts for 200 group homes which were purchased from the sale of general obligation bonds by the Oregon Housing and Community Service Department.<sup>51</sup>

- ▶ Case Management: 17 counties contract with private, nonprofit companies to act as CDDPs. CDDPs handle intake, perform assessments, make referrals, handle billing, and investigate abuse. Among these private case management entities, Community Living Case Management is notable because it is a subsidiary of Alternative Services, Inc. (ASI), one of the largest group home providers in

Oregon. ASI also holds the statewide contract for Oregon Intervention Systems (OIS), which is a mandated training for DSPs.

- ▶ Sheltered Workshops : 14 group home providers operate sheltered workshops. Lane created a diversion policy so that new entrants to the workforce receive employment supports if needed while receiving minimum wages and dictated benchmarks for sheltered workers to transition to competitive employment. However, 2,400 sheltered workers continue to earn subminimum wages in Oregon for employers that receive preferential consideration for public contracts.<sup>52</sup>
- ▶ Property: There are three major private property owners that do not provide group home services —Mainstream Housing, Specialized Housing, and Northwest Housing Services. Significantly, Oregon Resource Association, the trade association and advocacy arm for much of Oregon Group Home sector, owns 16 houses and holds maintenance contracts for a number of the state’s Community Integration Project homes.

Although Oregon Statute creates safeguards to prevent conflicts of interest within I/DD programs, the potential for conflict of interest exists and is enhanced by the lack of transparency.

## V. POLICY RECOMMENDATIONS

Policy reforms are needed to ensure that Oregon delivers on its promises to people with disabilities. We make the following proposals to ensure that people with disabilities live autonomous, safe, and dignified lives in their communities of choice.

- ▶ **All Case Managers Must Explicitly Offer Services in Independent Settings**
  - ▶ Requires case managers to explicitly offer independent living as an option when discussing available supports and services.
- ▶ **Wage Pass-Through for Direct Support Providers**
  - ▶ The reimbursement rate for group home providers is predicated in part on an average DSP wage of \$12.94. To stabilize the DSP workforce, we suggest DHS adopt a wage-pass through that ensures a minimum wage of \$15.00 an hour for direct support providers, indexed to inflation.
- ▶ **Staffing to the Individual Support Plan**
  - ▶ Currently the state requires a staffing ratio of 1 DSP to every 5 people served. Staffing should correspond to the goals, interests and support needs outlined in the Individual Support Plan. Staffing to the ISP will ensure that people with intellectual and/or developmental disabilities receive the supports and services they need to live with independence, autonomy, and dignity.
- ▶ **Financial and Operational Transparency**
  - ▶ Oregon is facing \$1.7 billion budget shortfall. Without a revenue solution, the Legislative Fiscal Office has instructed the Department of Human Services to produce a 15% reduction to its budget for the 2017-2019 biennium.<sup>53</sup> Potential changes to federal Medicaid funding will challenge Oregon’s ability to deliver supports and services.
  - ▶ Group Home providers should submit annual financial reports, similar to those required of nursing

homes. Financial transparency would allow legislators, public agencies, advocates and providers to truly understand the elements driving operating costs in group homes and assess where additional funding is needed.

- ▶ Group Home providers operate other publicly funded services within this sector of care including case management, supported living, and employment services. Providers should disclose their relationships to subsidiaries and subcontractors. This level of operational transparency would help the public and regulators identify any conflicts of interest.

▶ **Annual Surveys and Fees for License Renewal**

- ▶ To ensure that providers are complying with state statute and rule, that homes are maintained and safe for habitation, and to ensure compliance with federal HCBS standards, DHS should require annual—rather than biannual—surveys.
- ▶ Currently, there is ambiguity in statute and rule in regard to renewal fees for group home licenses. Ensuring providers pay renewal fees will offset costs associated with annual inspections.

▶ **Enhanced Enforcement and Whistleblower Protections**

- ▶ Fines for violations in the group home sector are too low to deter repeat violations. Analysis of substantiated abuse records from the Office of Adult Abuse Investigation and the Office of Licensing and Regulation show that cases of substantiated abuse are often not penalized.
- ▶ We propose increasing fines and imposing mandatory penalties in cases of substantiated abuse.
- ▶ Enhanced whistleblower protections are necessary so that DSPs are protected when acting as mandatory reporters.

▶ **Phase-Out of Sub-Minimum Wage Exceptions for Employees with Disabilities<sup>54</sup>**

- ▶ 1,405 Oregonians with disabilities were employed in sheltered workshops as of March 2016.<sup>55</sup>
- ▶ We support building on the success of the Lane settlement so that all Oregonians earn at least a minimum wage.

▶ **Reform Guardianship Policy**

- ▶ We support reforms to guardianship laws so that individuals retain the right to make decisions about their lives. We support alternative models of supported decision-making that could involve several people from a person's network, ISP team, and health care providers.

## APPENDIX I. — DSP WAGE DATA

Advertised Starting Wages for DSPs, 9/12/2016-9/23/2016			
Provider	Posted Rate	+/- \$10.80	+/- \$12.94
ADULT LEARNING SYSTEMS	\$10.45	(\$0.35)	(\$2.49)
ALBERTINA KERR CENTERS	\$11.00	\$0.20	(\$1.94)
ALTERNATIVE SVCS-OREGON, INC	\$11.30	\$0.50	(\$1.64)
ALVORD-TAYLOR, INC	\$11.00	\$0.20	(\$1.94)
CATHOLIC COMMUNITY SERVICES	\$10.25	(\$0.55)	(\$2.69)
BRIGHTSIDE	\$10.25	(\$0.55)	(\$2.69)
COAST REHAB SERVICES (coastal & metro)	\$10.60	(\$0.20)	(\$2.34)
COMMUNITY ACCESS SERVICES II, INC	\$11.25	\$0.45	(\$1.69)
COMMUNITY SERVICES, INC	\$11.38	\$0.58	(\$1.56)
DUNGARVIN OREGON, LLC	\$11.04	\$0.24	(\$1.90)
EDWARDS CENTER, INC	\$11.40	\$0.60	(\$1.54)
EN AVANT, INC	\$9.50	(\$1.30)	(\$3.44)
HOOD RIVER SHELTERED WORKSHOP	\$12.40	\$1.60	(\$0.54)
LIVING OPPORTUNITIES, INC	\$10.00	(\$0.80)	(\$2.94)
MENTOR	\$10.00	(\$0.80)	(\$2.94)
MID-VALLEY REHABILITATION	\$11.00	\$0.20	(\$1.94)
NATIONAL MENTOR SERVICES, LLC	\$10.00	(\$0.80)	(\$2.94)
OPPORTUNITY FOUNDATION OF CENTRAL OR	\$10.50	(\$0.30)	(\$2.44)
OREGON MENNONITE RES SVCS	\$12.00	\$1.20	(\$0.94)
OREGON SUPPORTED LIVING PROGRAM	\$11.85	\$1.05	(\$1.09)
PARTNERSHIPS IN COMMUNITY LIVING, INC	\$10.00	(\$0.80)	(\$2.94)
PATHWAY ENTERPRISES, INC	\$12.00	\$1.20	(\$0.94)
PEARL BUCK CENTER, INC	\$10.50	(\$0.30)	(\$2.44)
RAINBOW ADULT LIVING	\$10.80	—	(\$2.14)
RENEW CONSULTING, INC	\$11.00	\$0.20	(\$1.94)
RISE, INC	\$12.00	\$1.20	(\$0.94)
RON WILSON CENTER	\$10.00	(\$0.80)	(\$2.94)
SHANGRI-LA CORP	\$11.00	\$0.20	(\$1.94)
SOUTHERN OREGON ASPIRE	\$9.80	(\$1.00/\$.50)	(\$3.14)
STAR OF HOPE ACTIVITY CENTER, INC	\$10.25	(\$0.55)	(\$2.69)
UNITED CEREBRAL PALSY	\$11.53	\$0.73	(\$1.41)
WORK UNLIMITED, INC	\$11.00	\$0.20	(\$1.94)

## APPENDIX III — INVESTIGATION RESULTS BY TYPE OF ABUSE

Investigations & Results by Type of Abuse Complaint					
Results	Abuse Category	2013	2014	2015	Total
Closed w/o outcome	Neglect			1	1
<b>Closed w/o outcome Total</b>				<b>1</b>	<b>1</b>
<b>Inconclusive</b>	Financial	25	16	9	50
	Neglect	21	34	28	83
	Physical Abuse	14	12	12	38
	Restraint	3	3	9	15
	Restriction	4	6	1	11
	Sexual Abuse	1	1	1	3
	Verbal Abuse	14	17	20	51
<b>Inconclusive Total</b>		<b>82</b>	<b>89</b>	<b>80</b>	<b>251</b>
<b>Not Substantiated</b>	Financial	5	18	20	43
	Neglect	108	75	76	259
	Physical Abuse	21	19	26	66
	Restraint	10	9	13	32
	Restriction	14	9	7	30
	Sexual Abuse	6	6	6	18
	Verbal Abuse	59	41	36	136
<b>Not Substantiated Total</b>		<b>223</b>	<b>177</b>	<b>184</b>	<b>584</b>
<b>Substantiated</b>	Abandonment	2			2
	Financial	76	56	27	159
	Neglect	186	151	151	488
	Physical Abuse	10	15	5	30
	Restraint	12	23	4	39
	Restriction	7	12	4	23
	Sexual Abuse		3	2	5
	Verbal Abuse	71	39	43	153
<b>Substantiated Total</b>		<b>364</b>	<b>299</b>	<b>236</b>	<b>899</b>
<b>Not on file</b>	Financial			7	7
	Neglect		1	45	46
	Physical Abuse		1	3	4
	Restraint			1	1
	Restriction			1	1

	Verbal Abuse	1	13	14
<b>Not on file Total</b>		<b>3</b>	<b>70</b>	<b>73</b>
<b>Grand Total</b>		<b>669</b>	<b>568</b>	<b>571</b>

## APPENDIX IV—OAPPI & OLRO OUTCOMES BY SUBSTANTIATED ABUSE TYPE

OAPPI & OLRO Outcome by Substantiated Abuse Category					
Outcome	Abuse Type	2013	2014	2015	Total
<b>Condition</b>	Neglect		2		2
<b>Condition Total</b>			<b>2</b>		<b>2</b>
<b>Fine</b>	Financial	9	7		16
	Neglect	45	97	91	233
	Physical Abuse	2	12	3	17
	Restraint	1	8	2	11
	Restriction		9		9
	Sexual Abuse		2	1	3
	Verbal Abuse	3	22	11	36
<b>Fine Total</b>		<b>60</b>	<b>157</b>	<b>108</b>	<b>325</b>
<b>Letter</b>	Financial		2	2	4
	Neglect	2			2
<b>Letter Total</b>		<b>2</b>	<b>2</b>	<b>2</b>	<b>6</b>
<b>No action</b>	Financial	59	42	20	121
	Neglect	114	44	21	179
	Physical Abuse	8	3	1	12
	Restraint	9	12	2	23
	Restriction	6	3		9
	Sexual Abuse		1		1
	Verbal Abuse	53	16	22	91
<b>No action Total</b>		<b>249</b>	<b>121</b>	<b>66</b>	<b>436</b>
<b>Not on file</b>	Abandonment	2			2
	Financial	8	5	5	18
	Neglect	23	8	39	70
	Physical Abuse			1	1
	Restraint	2	3		5
	Restriction	1		4	5
	Sexual Abuse			1	1
	Verbal Abuse	15	1	10	26
<b>Not on file Total</b>		<b>51</b>	<b>17</b>	<b>60</b>	<b>128</b>
<b>Revocation</b>	Neglect	2			2
<b>Revocation Total</b>		<b>2</b>			<b>2</b>
<b>Grand Total</b>		<b>364</b>	<b>299</b>	<b>236</b>	<b>899</b>

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