

SUPPORTED LIVING — ***IMPACTS OF H.R.1***

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COMMUNITY RESIDENTIAL SERVICES

- *SUPPORTED LIVING*

- ❑ The individual client owns or rents home, and the agency provides services in the client's home
 - *The individual pays for their own rent, groceries, utilities, and other bills – just like you and me*
- ❑ Full range of support services provided by agencies certified by RCS and contracted with DDCS, the overwhelming majority with 24/7 care
- ❑ Level of care and acuity are similar to those services in RHCs and SOLA programs; however, the investments vary greatly
 - ❑ Community Residential (Supported Living)
 - 4,703 served (87.6%)
 - Average daily cost per client = \$650.20
 - ❑ SOLA
 - 218 served (4.1%)
 - Average daily cost per client = \$1,445.33
 - ❑ RHC
 - 446 served (8.3%)
 - Average daily cost per client = \$1,693.92



IMPACT OF H.R.1

Though there were no direct cuts to Home and Community-Based Services (HCBS), the reduction in Medicaid funding to the state will cause legislators to look to reduce spending to balance the state budget

- ❑ Due to the lower rates and lower wages for Direct Support Professionals (DSP's) in Supported Living, many DSP's qualify for Medicaid and other benefits
 - Increasing frequency of eligibility redeterminations – could result in loss of coverage
 - Ending the ACA subsidy for those on the exchange will drive up premiums
 - Already seeing some employees who were on the exchange moving to agency-provided health insurance, increasing Supported Living provider costs
- ❑ Any cuts to HCBS services results in loss of the 50% FMAP, as well, and under the CMS Access Rule, any reduction in payments to Medicaid HCBS programs face procedural and analytical requirements
 - State must conduct an analysis of the effect of the proposed rate change on access to care
 - Payments must remain “sufficient to enlist enough providers so that services...are available at least to the extent those services are available to the general population.”
 - If state cannot show that access will be maintained, CMS can disapprove plan or withhold payments.



IMPACT OF H.R.1

With less Medicaid money coming into our state, legislators will need to balance the budget with less federal funding

- ❑ Supported Living is already underfunded, resulting in higher turnover.
 - 2022 Rate Study from Milliman put underfunding at 10%
 - With subsequent rate increases being below inflation, the estimated underfunding now is 18.4%
 - Turnover in Supported Living is consistently between 40-50% annually, compared to 20% in state-operated programs
 - Any reductions will result in higher turnover and fewer clients being served

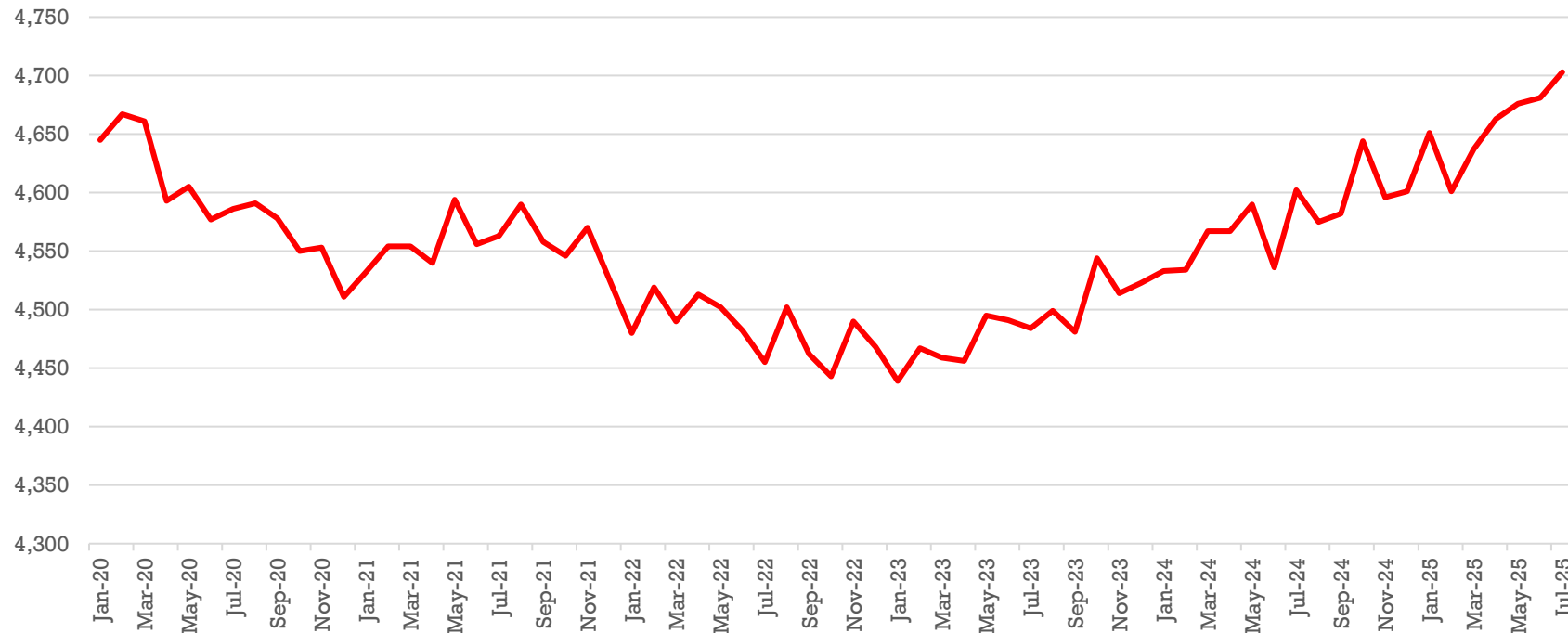
- ❑ **We need to learn from the past.** When federal funding was cut after the Great Recession, every state cut one or more HCBS programs
 - Supported Living was cut by 4% during those years and endured three additional years of no rate increases. It took a decade to recover from these cuts.
 - Reduction in the number of clients served
 - ✓ Reached a low of around 3,600 in 2009 and took until 2014 to get back over 4,400 served
 - These cuts led to longer waiting lists for services



IMPACT OF FUNDING ON NUMBER OF INDIVIDUALS SERVED

- ❑ We have already seen the impact of funding not keeping pace with inflation and then the positive impacts of increased funding. With a larger rate increase in 2022, we have seen the number of individuals served increase by 260 individuals! **Investments prove effective!**

Community Residential Clients served since 2020



Any cuts to services could see another decrease in the number of clients served and inability to serve people who have been waiting for services – some remaining in hospitals





SNAP BENEFITS

- In Supported Living, it is estimated that over 60% of the individuals served receive monthly SNAP benefits
 - For many, this is the primary source of funding for food, with some receiving nearly \$300 per month
 - The majority of clients in Supported Living receive less than \$1,000 monthly from SSI or SSA
 - When SNAP benefits were paused during the Government Shutdown, providers were told to take clients to food banks.
 - Food banks were already running low
 - Many clients have specialized diets, so going to a food bank was not feasible
 - Created financial hardship for providers who are not funded to provide food
 - USDA stated this week that federal funding for SNAP will be withheld from Blue States due to not complying with the request for personal information about recipients
 - What is the state's plan if this is enacted?

"People with developmental disabilities should not be the victim of some political game."

— Scott Livengood, CEO of Alpha Supported Living Services*,
November 12, 2025, The News Tribune

