

DISABILITY COMMUNITY ACT OF 2016

THE ISSUE

- The Department of Labor (DOL) is issuing an unprecedented new rule on the coverage of overtime for salaried workers. As proposed, it will extend overtime pay to certain salaried workers currently under \$23,660 to those under \$50,440. Also, the rule will continue to raise the salary threshold automatically over time.
- **Don't we support paying workers more?** Of course we do! The workforce in disability services is one of the most underpaid yet most needed in the country for the next decade!
- **So what's the problem?** The issue with the new proposed rule is that disability home and community-based services are provided almost exclusively through the federal and state funded Medicaid program. Although business and other industries can raise the cost of goods to pay for the extra labor costs needed to support the new rule, this is not an option for our services.
- **Is this really going to impact anything?** YES! Our preliminary but conservative data through the research firm of Avalare Health projects that the first year of compliance will cost an additional 1.05 billion dollars in the Medicaid home and community-based services for people with intellectual and developmental disabilities alone. Since no additional funding is in place, either services or wages to other workers will have to suffer.
- **We have time though, right?** NO! The pending rule is at its final stage of review with the Office of Management and Budget. It should be released no later than June 12, 2016 and providers of disability services may have to comply as early as this summer, or otherwise by this fall.

THE SOLUTION: DISABILITY COMMUNITY ACT OF 2016 (DCA)

In light of this major federal change coming to providers of disability community services, ANCOR is seeking to introduce the Disability Community Act of 2016, legislation that will:

- Propose 3 year temporary funding in the form of a Medicaid Federal Medical Assistance Percentage (FMAP) bump that will allow providers to comply with major unfunded rules while providing state budgets time to include these new rules in their budget planning process.
- Require impact data on the Medicaid program and its services when future federal rules are proposed that will cost the program above a certain dollar amount. This is similar to what the Unfunded Mandates Reform Act already requires, but is specific to Medicaid. DCA will also require a description of the types of services provided.
- Require that the Department of Health and Human Services include home and community-based programs in its rulemaking for the Medicaid access provision. This would ensure that states had a more organized, efficient, and transparent approach to rate setting. Current rules require this of other Medicaid programs, but not the HCBS program which has led to oversights in issues like retaining and compensating an adequate workforce.

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