



Impact of COVID-19 on Organizations Serving Individuals with Intellectual and Developmental Disabilities

The rapid and widespread COVID-19 pandemic has put pressure on healthcare resources and providers, including organizations who serve individuals with intellectual and developmental disabilities (I/DD). Those organizations have been facing numerous challenges even before the pandemic, such as staff turnover rate above 50%¹, raising concerns that the ongoing pandemic may continue to exacerbate these challenges and limit the providers' viability.

In April 2020, the American Network of Community Options and Resources (ANCOR) conducted a survey to quantify the extent to which the COVID-19 pandemic has affected their members—over 1,600 community providers serving individuals with I/DD. The survey received valid responses from 689 organizations across all 50 states, District of Columbia, and two territories (Puerto Rico and Guam). ANCOR asked Avalere to independently analyze the survey responses and produce a report presenting findings from the analysis. Some highlights include:

- 68% of all organizations surveyed reported that they have had to close one or more service lines due to the pandemic resulting in an average loss of revenue of 32%.
- 52% of all organizations surveyed reported having increased staff overtime expenses.

Table 1. Survey Participants Summary

Category	Valid Responses Received	Average Number of DSPs ²
All Organizations	689 (100%)	362
Small Organizations*	67%	77
Large Organizations*	33%	916

Source: Avalere analysis of COVID-19 Impact Member Survey, ANCOR, April 2020

*“Small” organizations are defined as those employing 1 to 200 DSPs, “large” organizations are those that employ more than 200 DSPs

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¹ National Core Indicators. (2019). National Core Indicators 2018 Staff Stability Survey Report. Retrieved from the National Core Indicators website: <https://www.nationalcoreindicators.org/resources/staffstability-survey/>

² DSP: Direct Support Professional



The Majority of Respondents Reported Having to Close I/DD Service Lines Due to Government Orders Regarding COVID-19

Organizations were asked whether they had to stop providing services as a direct result of a government order. Most of the organizations surveyed (468, or 68%) had to close at least one of their I/DD service lines. On average, each of the organizations closed 3 I/DD service lines, with day programs (54%), supported employment (31%), and transportation (19%) being the most frequently closed services.

Respondents were also asked about the annual revenue loss from the closed I/DD services. On average, closed business lines accounted for 32% of the annual revenue. Smaller organizations were disproportionately impacted, as closed service lines accounted for 40% of their annual revenue, 9 percentage points higher than large organizations serving individuals with I/DD.

Table 2. Organizations Required to Close I/DD Service Line by Government Order

Survey Question	All Organizations	Small Organizations	Large Organizations
Closure of Any I/DD Service Line	468 (68%)	290 (63%)	178 (78%)
% of Annual Revenue	32%	40%	31%

Source: Avalere analysis of COVID-19 Impact Member Survey, ANCOR, April 2020

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Staff-Related Costs Present a Barrier for Organizations Serving Individuals with I/DD During the COVID-19 Pandemic

Organizations were asked to indicate how the COVID-19 pandemic was affecting their ability to train staff and onboard new employees, as well as how it was impacting their overall staff costs. Over half of respondents (52%) reported additional expenses associated with staff overtime, \$77,000 per month, on average. Almost one-third of the respondents (27%) indicated they had expenses associated with shifting staff training modality from in-person to some other modality, incurring additional monthly costs of \$16,000 on average, while 25% had to suspend the training all together. In addition, 21% of organizations reported additional expenses associated with onboarding new employees due to COVID-19 (e.g., lack of opened fingerprinting locations or insufficient amount of personal protective equipment or cleaning supplies available), costing them on average \$28,000 more per month. One-third of organizations had to suspend hiring.



Table 3. Additional Staff-Related Costs Among Organizations Serving Individuals with I/DD Due to COVID-19 Pandemic

Expense Category	Staff Overtime	Onboarding	Training
N	689 (100%)	679 (98%)	684 (99%)
Yes	52%	21%	27%
No	48%	46%	48%
<i>Function Suspended</i>	N/A	33%	25%
Annualized Average Additional Cost*	\$930,172	\$342,751	\$196,678
% of Annual Revenue	4%	1%	1%

Source: Avalere analysis of COVID-19 Impact Member Survey, ANCOR, April 2020

*Refers to organizations that indicated they faced shifts in training modality, onboarding difficulties, and overtime.

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Impact of State-Mandated Closures and Increased Expenditures on Viability of Organizations Serving Individuals with I/DD

Based on the data reported by the surveyed organizations, Avalere estimated that revenue loss from the closed I/DD services lines combined with the additional expenditures related to training, onboarding, and overtime accounts for about 40% of annual revenue, on average.

Avalere also used organization-reported cash-on-hand (COH) to estimate how long these funds may sustain operations before the organization is no longer able to meet its immediate financial obligations. On average, organizations serving individuals with I/DD have enough cash to keep business afloat for a little over 1 month. Stated differently, half of respondents would not be able to stay in business for much more than 1 month given their financial resources.



Table 4. Financial Viability of Organizations Serving Individuals with I/DD

Category	Cash-on-Hand as % of Annual Revenue	Months of Sustained Operations Threshold	Number of Organizations Not Able to Operate Beyond Threshold
N	598 (87%)	598 (87%)	598 (87%)
All Organizations	10%	1.2	55%
Small Organizations*	15%	1.8	60%
Large Organizations*	9%	1.1	61%

Source: Avalere analysis of COVID-19 Impact Member Survey, ANCOR, April 2020

*"Small" organizations defined as those employing 1 to 200 DSPs, "large" organizations are those that employ more than 200 DSPs

**New Expenses include costs incurred from shifting training modality, new onboarding expenses, and overtime cost.

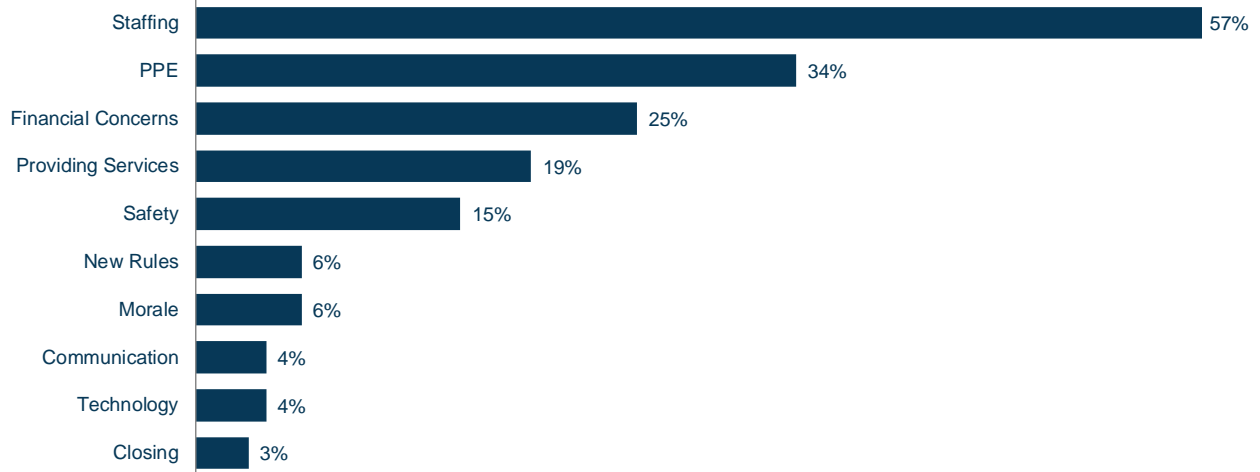
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Organizations Serving Individuals with I/DD Face Many Challenges due to COVID-19 Pandemic

Organizations serving individuals with I/DD were also asked an open-ended question about the main challenges of the COVID-19 crisis. Responses often spanned several different challenges. Accordingly, Avalere reviewed the full set of responses, then created 10 categories to summarize the types of challenges affecting the organizations. Response mapping is not mutually exclusive, meaning that each response may be counted towards multiple COVID-19-related challenges.



Table 5. Challenges Reported by Organizations Serving Individuals with I/DD*



Source: COVID-19 Impact Member Survey, ANCOR, April 2020

*Staffing refers to training, vacancy, retention, and productivity. PPE refers to masks and face shields. Financial concerns refer to reimbursement, fixed costs, hazard pay, and overtime. Providing services refers to services in the community. Safety refers to protecting the physical and mental wellbeing of participants and staff. New rules refer to federal and state mandates. Morale refers staff motivation. Communication refers to staying connected with DSPs in-person and electronically. Technology refers to remote or virtual management and transitions to telehealth. Closing refers to the closure of a physical organization or program.

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Methodology

Avalere received raw results of the COVID-19 Impact Member Survey from ANCOR administered electronically April 6-10, 2020. The results included responses from 689 organizations which reported employing over 240,000 DSPs across all 50 states, the District of Columbia, and two territories (Puerto Rico and Guam). Avalere calculated unweighted sample averages for each survey question and segmented results by organization size (small as 1 to 200 DSPs, large as 201+ DSPs).

Avalere estimated a margin of error for the sample to determine the robustness of the survey results. Avalere inferred the survey population to be ANCOR's full membership of 1,600 organizations. The sample size was 689 valid responses. Avalere chose a 95% confidence level and assumed a 50% response distribution. This yielded a margin of error of +/- 2.82%. This indicates that 95% of the time, sample estimates will accurately reflect the full population within 2.82 percentage points.

