

KEY ISSUES FACING the HUMAN SERVICES NONPROFIT SECTOR in 2016



MASSDEVELOPMENT

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Discussion Points

- Snapshot of Seven Hills Foundation
- Size & Economic Impact of the Nonprofit Human Services Sector in Massachusetts
- Current & Future Challenges Faced
- The Growing Demand for Services and Shrinking Availability of a Workforce
- The Seven Hills Foundation Strategy

Snapshot of Seven Hills Foundation

- An integrated Health & Human Services network of organizations
- 3700 Professional and Support Employees working at over 180 locations in 2 states and 8 foreign countries
- \$200 million annual operating budget
- Employees from 43 different countries

defining
DIGNITY

Seven Hills Foundation, Inc.

Seven Hills Foundation, Inc. is the parent non-profit organization that anchors twelve individual operating Affiliates. Seven Hills Foundation provides the functions of business, human resources, facilities maintenance, information technology, construction, marketing, communications, fundraising, and the Office of the President. Each Affiliate organization is a separate 501(c)3 non-profit.



Children's Aid & Family Service (CAFS) supports income-eligible families throughout Worcester County, MA, in their pursuit of successful life/work balance, providing day care, family child care, and Child Care Resources, which provides a single point of access for voucher child care in central MA. CAFS' Child Enrichment Center is a state-of-the-art facility located in Fitchburg, MA. CAFS' Family Day Care providers are located throughout central and north central MA. Both the Center and Family Day Care accept families through both voucher and private pay.



The International Center of Worcester designs professional and cultural programs for international visitors sponsored by local and foreign governmental and non-governmental agencies, private companies, universities and individuals. ICW is part of a nationwide network of centers for international visitors that are members of Global Ties U.S. in Washington, D.C.



Seven Hills ASPiRE! offers innovative and creative programming that provides opportunities for people with intellectual and developmental disabilities, autism, and brain injury to develop skills necessary to pursue interests in employment, recreation, and social interaction. Seven Hills designed the ASPiRE! model to help people enrich their lives, broaden core competencies, and enjoy a full range of activities while cultivating a network of relationships in and around their communities. All services are person-centered and promote community integration—helping each person optimize his or her personal, social, and vocational competency to live successfully in the community.



For more than 60 years, Seven Hills Behavioral Health (SHBH) has been providing a path to a process of change through which people improve their overall sense of health and wellness. This is achieved by offering a wide array of mental health and substance abuse treatment, prevention, counseling, and educational services to support individuals, families, and communities. All of the SHBH programs are provide in English, Portuguese, and Spanish, and are customized to individuals' needs in a supportive, caring environment.



In more than 50 communities throughout Massachusetts, individuals with disabilities live in a variety of residential arrangements supported through Seven Hills Community Services (SHCS). At SHCS, our goal is to provide each individual with a comfortable, safe, and beautiful home, while keeping him or her closely connected to family members, friends, and the community.



Seven Hills Family Services (SHFS) offers a network of services that assist families and their loved ones with disabilities in achieving the highest quality of life through social interaction, friendship, residential and day supports and personal achievement. SHFS programs include Shared Living and Adult Family Care; Sports, Recreation & Leisure; Respite; and much more.



Seven Hills honors its employees who come to us from over 45 different countries, in part, by defining a culture of putting others first. Through the initiative of our diverse staff, Seven Hills Global Outreach (SHGO) was established to help people with significant life challenges across the globe. SHGO leverages humanitarian efforts of partnering health, education, and human services organizations in developing nations and home communities of Seven Hills' staff.



In 2014 Seven Hills launched its newest Affiliate, Seven Hills NeuroCare, Inc. to provide a significant focus in supporting individuals with brain injuries in both Massachusetts and Rhode Island. Seven Hills has supported the complex needs of individuals with brain injury for decades, both within our day supports as well as residentially.



Seven Hills Pediatric Center (SHPC) is a Pediatric Skilled Nursing Community that provides long-term, continuous nursing care to children and young adults below a cognitive age of 12 months, short-term respite care to children and young adults below a cognitive age of 24 months, and sub-acute care to children 18 years of age with no minimum/maximum cognitive age. SHPC also operates Seven Hills Academy at Groton, a private, on-site special needs school.



Seven Hills Rhode Island (SHRI) supports more than 1,000 children and adults with various disabilities throughout Rhode Island. SHRI's wide range of programs and services include day habilitation; rehabilitation; behavioral health; workforce training, placement and support; recreation; case management; individualized planning; fiscal intermediary; 24-hour supervised and semi-independent living arrangements; Child and Family Services; Early Intervention; respite for adults and children; Rlte@Home shared living options for Seniors and Adults with disabilities; and the Living Rlte Centers comprehensive care management for individuals with two or more chronic health conditions and are dual-eligible.



Stetson School is a nationally accredited, fully licensed, Chapter 766-approved Residential and Education Treatment Program for male youth and young adults, ages 9-22, with sexually problematic behaviors, complex developmental difficulties, chronic mental illness, and autism spectrum disorders, who have suffered from severe trauma. Recognized as a national leader in the treatment of sexually troubled behavior, Stetson School offers a continuum of supports and services to the high-risk population with a family-focused, individualized “culture of recovery.”



VSA Massachusetts promotes the involvement of people of all abilities in the cultural life of our communities and is part of an international network of VSA organizations serving 35 states and over 50 other countries. VSA is affiliated with The John F. Kennedy Center for the Performing Arts in Washington, D.C. The letters VSA reflect the **Vision** of an inclusive community, **Strength** in shared resources and **Artistic** expression that unite us all.

***'Seven Hills Pediatric Center' - A
MassDevelopment - Seven Hills Foundation
partnership***

<https://www.youtube.com/watch?v=zeFG0r-aRac>

Size & Economic Impact of the Nonprofit Human Services Sector in MA

- The sector accounts for more than 145,000 jobs, representing 5% of Massachusetts' nearly 3 million jobs
- The overall number of jobs grew 47.9% between 2003 and 2014, outpacing expected growth of 37.5%
- Of the \$3.4 billion in local spending of disposable income by human services workers generated an estimated \$900 million in additional economic activity.

- This \$900 million represents money spent by human services workers for goods and services. Estimates suggest these expenditures supported an ***additional*** 24,602 jobs in Massachusetts in 2013 alone.
- Adjusted for inflation, human services as a percentage of the state budget dropped from 11.8% in FY'03 to 9.8% in FY'14.

“As these findings suggest, the nonprofit human services industry’s contributions to the Commonwealth move far beyond helping our most vulnerable populations. The industry’s value as a significant employer and economic contributor is unquestioned.”

- UMASS Donahue Institute (2015)

National Trending Projections: 2014-2024

- The health and human services industry is projected to increase its share of total wage and salary employment to 14.5% by 2024, up from 12.8% in 2014 and 10.8% in 2004.
- Percent change in employment wage and salary workers in health and human services is projected to increase 21% by 2022.
- Outpatient mental health and substance abuse centers employment will see a 32% growth nationally.

- Residential intellectual and developmentally disabled facilities will increase by 23.2% by 2022
- Residential mental health and substance abuse facilities will grow by 39.5% by 2022.
- Facilities serving the elderly will increase by 18.3% by 2022.
- Home healthcare services for elderly and disabled will increase by 60.2% by 2022.

“By 2018, employment growth in Massachusetts is expected to plunge by more than half – not because there aren’t jobs, but because there won’t be enough workers to fill them, according to the most recent forecast by the New England Economic Partnership . . .”

- Boston Globe (Impact of Baby Boomer Retirement), (2016)

Current & Future Challenges Faced by the Nonprofit Human Service Sector in MA

- The growing demand in certain specialized populations of need
- The impact of the budget and financial constraints facing state agencies
- The movement from fee-for-service and contracted service to managed care (the devolving of the current State system)
- The lack of qualified and available employees

The Growing Demand in Certain Specialized Populations

- Autism Spectrum Disorder (ASD)
- Traumatic Brain Injury (TBI)
- Veterans
- Elderly

The Impact of Budget / Financial Constraints

- FY's 2014 & 2015 marked the 4th consecutive year of budget cutting for states including major cuts to important human services in order to close their respective budget shortfalls; including Massachusetts
- Cuts to child care budgets have been felt across the country
- States and localities have directly eliminated over 500,000 jobs in education

- Compounding tight revenue pictures, the federal stimulus dollars that helped stabilize state budgets and promote hiring has ended
- With more projected program cuts in health, human services, and education, states are making difficult choices. Economic strain on state budgets is manifesting itself in the changing nature of payment structures to support nonprofit human service organizations.

The Movement from Fee-for-Service and Contracted Services to Managed Care: “Devolving” the Direct State Relationship with Nonprofit Human Service Organizations

- The human services sector is seeing the creation of more ‘managed care’ coordination models intended to level the rate of cost increases to the States (i.e. Accountable Care Organizations as third party fiscal intermediaries for State Government).
- Nonprofit human service organizations in Massachusetts will need to
 - Create partnerships with emerging ACO’s

- Clinical outcome measurement will be crucial
- Providers will be paid in more of a ‘capitated’ fashion
- Small human service providers are at risk of surviving the transition to managed care and will have to seek affiliation or merger with larger providers
- The development of ‘Social Impact Bonds’ as a funding mechanism between the public sector and the social sector

A Lack of Qualified & Available Employees

- The human services industry in Massachusetts is growing.
- A confluence of demographic trends and regional changes is turning today's job vacancies into tomorrow's workforce crisis.
- Of 71,542 job vacancies in MA in the 4th Qtr of 2015, 16% (11,434) were in the health and human services sector. Of the state's 20 major industries, health and social assistance had the largest number of vacancies.

- Causes:
 - Years of level funding by State/Federal sources
 - Low provider reimbursement rates during a time of increasing demand for care
 - Low compensation & benefits for direct support professionals
 - Heavier caseloads; public scrutiny; long hours; increasing responsibilities
 - Value proposition

The Seven Hills Foundation Strategy

1. Approaches to the workforce shortage must be comprehensive and address both recruitment & retention (e.g., tuition assistance, benefits menu, career ladder, etc.).
2. The human services industry as a whole, and Seven Hills Foundation specifically, must establish its own identity among the helping professions (i.e., professional staff qualifications, etc.).
3. Pay workers fairly and value their efforts. (Seven Hills Foundation is proposing to the Legislature a \$15/hour – over several years – minimum for entry level employee).

4. Workplace benefits must be expanded to support and encourage workers to remain on the job.
5. Hiring practices in human services must be strengthened to better match workers to job.
6. Expand the universe of workers; including recruiting underutilized workers (retirees) and advocating for progressive immigration policies which increase the supply of workers in the Commonwealth.

In Summary

- The size and economic value of the nonprofit human services sector in Massachusetts is significant with over 145,000 employees representing \$3.5 billion of the Commonwealth's budget
- 1 in 10 citizens in Massachusetts utilize the nonprofit human services sector
- Challenges faced by the nonprofit human services sector include (but are not limited to):

- the growing demand in certain specialized populations of need;
- The impact of State/Federal budget constraints;
- The movement from fee-for-service and contracted services to “managed care;” and
- The critical shortage of human service workers available to meet an expanding need; we are at a crisis in terms of a future workforce.

Sources

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Thank you!

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