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## Rate Setting Board

July 8, 2022

8:30 a.m. – 11:30 a.m.

Zoom attendance

In-person attendance

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**TAB 1**

Consumer Directed Employer Rate Setting Board  
July 8, 2022  
8:30 am – 11:30 am

## Agenda

Time/Minutes	Topic	Presenter
8:30-8:40	Welcome and Introductions	Facilitator
	Purpose/Meeting Overview	Chair
8:40-8:45	Approval of Minutes 06.22.22	Chair
8:45-9:00	Public Comment	Chair/Facilitator
9:00-9:10	Opening Remarks/Old Business	Chair
9:10-9:30	Discussion and vote on P&P – Establishing Rates	All
<b>Board Discussion</b>		
9:30-11:30	Board Discussion	All
11:30	Adjourn	Chair

Please note the agenda times may vary due to the flow of the meeting conversation.

## Rate Setting Board Members

Charles Reed	Chair
Adam Glickman*	Exclusive Bargaining Unit Designee
Bea Rector*	DSHS Representative
Ben Bledsoe*	CDE Representative
Robyn Williams*	Governor's Office Representative
Rep. Drew MacEwen^	House of Representatives (R)
Rep. Steve Tharinger^	House of Representatives (D)
Senator Ron Muzzall^	Senate (R)
Senator Annette Cleveland^	Senate (D)
Georgiann Dustin^	State Council on Aging Representative
Adrienne Stewart^	People with Intellectual or Developmental Disabilities Organization
Kim Conner^	People with Disabilities Organization
Eric Erickson^	Licensed Home Care Agency
Brittany Williams^	Home Care Worker

\*Voting member, ^Advisory member

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## Rate Setting Board Meeting Schedule

March 21, 2022 9:00am – 12:00pm	Zoom
April 18, 2022 9:00am – 3:00pm	Zoom
April 19, 2022 9:00am – 3:00pm	Zoom
May 2, 2022 9:00am – 2:30pm	Zoom
May 10, 2022 10:00am – 4:00pm	Zoom and In-Person*
May 19, 2022 9:00am – 3:00pm	Zoom
June 9, 2022 9:00am – 3:00pm	Zoom and In-Person*
June 14, 2022 10:00am – 4:00pm	Zoom and In-Person*
June 22, 2022 9:00am – 3:00pm	Zoom and In-Person*
July 8, 2022 8:30am-11:30am	Zoom and In-Person*
August 8, 2022 9:00am-12:00pm	Zoom and In-Person*

\*\*Approved minutes from each meeting can be found at [Consumer Directed Employer Rate Setting Board | DSHS \(wa.gov\)](#)

\*In-person meeting held at  
Blake Office Park West  
4450 10th AVE SE  
Lacey, WA 98503  
Chelan and Roosevelt rooms

**TAB 2**



*Transforming lives*

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## Rate Setting Board

[Approved By-Laws](#)

[Approved Charter](#)

[Approved Policy Selecting Chairperson](#)

Approved Policy Establishing and Submitting Rates \*\*Pending

**TAB 3**



# RSB Meeting July 8, 2022

# CDE Labor Rates

Current Labor Rate: \$30.07

Hold Harmless Rate:

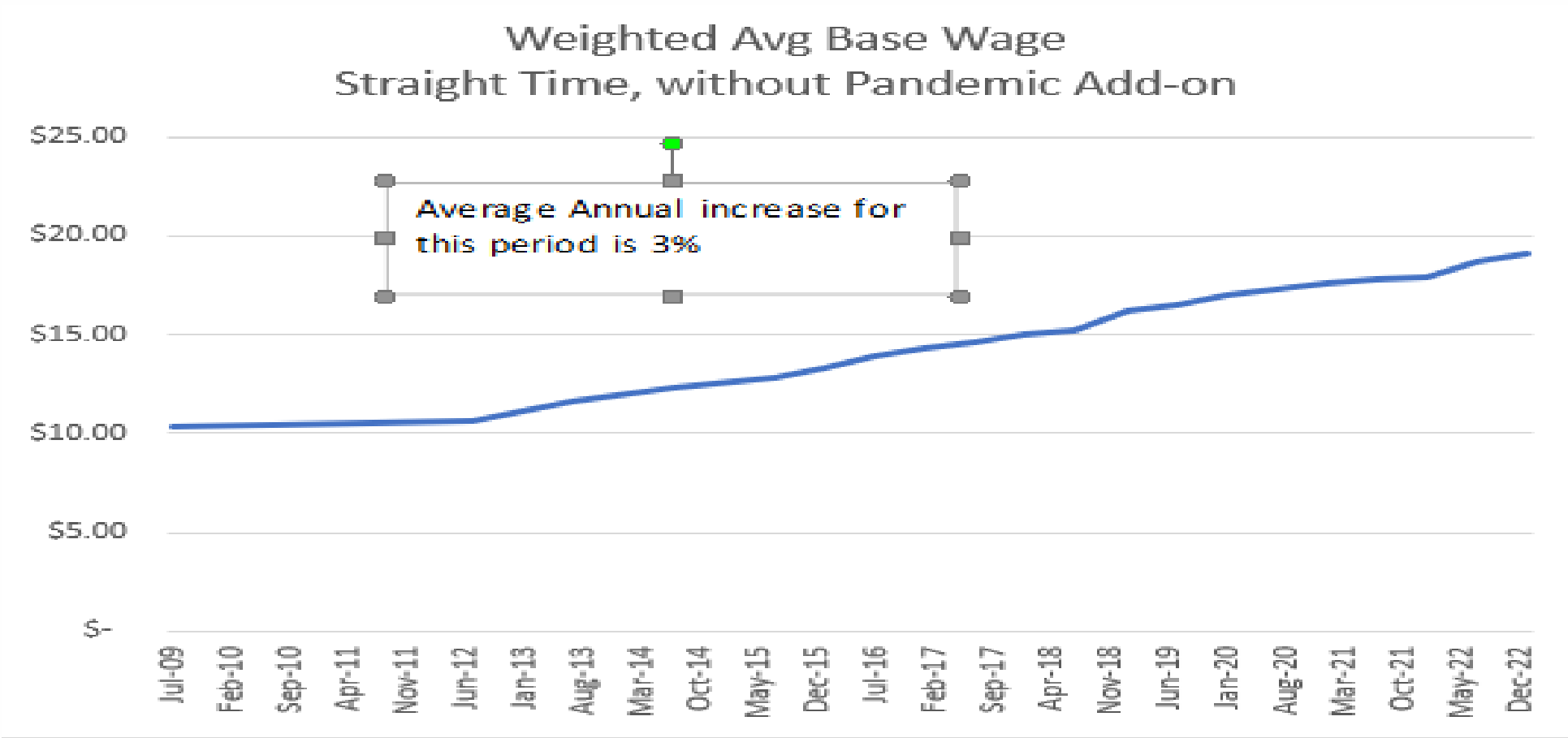
\$28.53/hr base rate

\$1.59/hr (pandemic add on)

\$0.23 (healthcare HH)

= \$30.35

# Historical Labor Rates



# SEIU Labor Rate Proposal

	FY 24			FY 25			Biennial GF-S Net of existing	Biennial % rate increase	What it can fund in wages/benefits	What it can fund in health care
	Labor Rate	Health Rate	% <u>rate</u> increase	Labor Rate	Health Rate	% <u>rate</u> increase				
SEIU initial	32.75	4.75	14.79%	36.12	5.75	10.29%	\$424,627,000	26.60%	Phase up to roughly <b>\$23 start/\$24 avg wage                      (8.5%/year increase)</b>  - +2 holidays/yr (6 total) - Increased PTO (2 days) - Mileage cap to 140 - + .15/year retirement - increased admin time - cover <u>Trx</u> inflation	Extends health benefits to dependent children @ 75/month co-premium

# SEIU Labor cont.

	FY 24			FY 25			Biennial GF-S Net of existing	Biennial % rate increase	What it can fund in wages/benefits	What it can fund in health care
	Labor Rate	Health Rate	% <u>rate</u> increase	Labor Rate	Health Rate	% <u>rate</u> increase				
SEIU Compromise	31.21	4.00	9.39%	33.57	5.02	7.56%	\$267,964,000	17.67%	Phase up to roughly <b>\$21.50 start/\$22.50 avg                      (5%/year increase)</b>  - +1 holiday/yr (4 total) - Increased PTO (1 day) - Mileage cap to 110 - + .10/year retirement - cover <u>Trx</u> inflation	Extends health benefits to dependent children @ 125/month co- premium

# SEIU Labor cont.

	FY 24			FY 25			Biennial GF-S Net of existing	Biennial % rate increase	What it can fund in wages/benefits	What it can fund in health care
	Labor Rate	Health Rate	% <u>rate</u> increase	Labor Rate	Health Rate	% <u>rate</u> increase				
Hypothetical 12%	30.80	4.00	7.96%	31.97	4.23	3.80%	\$189,291,000	12.06%	Phase up to roughly \$20.75 start/21.75 avg (3%/year increase)  +1 holiday (3 total) - + .10/year retirement - Mileage cap to 110 - cover Trx inflation	Maintains existing health care, no dependent medical

# State Labor Rate Proposal

	FY24		FY25		
	Labor Rate	Health Rate	Labor Rate	Health Rate	Biennial GF-S Net of Existing
<b>State proposed</b>	\$ 31.93	\$ 4.68	\$ 32.89	\$ 5.37	\$ 302,592,000

Assumes sufficient funds for items that could be bargained to:

- Wage increases: 6% in FY24 & 3% in FY25
- Dependent Care covered at \$75 premium

Modeled using "RSB Rate Tool dollar FY" tool

# CDWA Admin. Rate Proposals

## Low Tier

	End FY22 Rate	Low Proposed	Biennium Cost FY22 Rate	Biennium Cost Proposed	Percentage
<b>Bad Debt</b>	\$ 0.07	\$ 0.07	\$ 10,612,621	\$ 10,612,621	0.0%
<b>Base Admin</b>	\$ 1.19	\$ 1.19	\$ 180,414,557	\$ 180,414,557	0.0%
<b>Total (w/o B&amp;O)</b>	\$ 1.26	\$ 1.26	\$ 191,027,178	\$ 191,027,178	0.0%
<b>Total Cost to State of Washington</b>			\$ 84,051,958	\$ 84,051,958	
<b>Total Cost Federal</b>			\$ 106,975,220	\$ 106,975,220	



# CDWA Admin. Rate cont.

## Mid-Tier

	End FY22 Rate	Mid Proposed	Biennium Cost FY22 Rate	Biennium Cost Proposed	Percentage
<b>Bad Debt</b>	\$ 0.07	\$ 0.04	\$ 10,612,621	\$ 6,064,355	-42.9%
<b>Change Order</b>	\$ -	\$ 0.02	\$ -	\$ 3,032,177	N/A
<b>Base Admin</b>	\$ 1.19	\$ 1.34	\$ 180,414,557	\$ 203,155,888	12.6%
<b>Total (w/o B&amp;O)</b>	\$ 1.26	\$ 1.40	\$ 191,027,178	\$ 212,252,420	11.1%
<b>Total Cost to State of Washington</b>			\$ 84,051,958	\$ 93,391,065	
<b>Total Cost Federal</b>			\$ 106,975,220	\$ 118,861,355	

# CDWA Admin. Rate cont.

## High-Tier

	End FY22 Rate	High Proposed	Biennium Cost FY22 Rate	Biennium Cost Proposed	Percentage
<b>Bad Debt</b>	\$ 0.07	\$ 0.04	\$ 10,612,621	\$ 6,064,355	-42.9%
<b>Change Order</b>	\$ -	\$ 0.02	\$ -	\$ 3,032,177	N/A
<b>Startup Costs</b>	\$ -	\$ 0.11	\$ -	\$ 16,676,976	N/A
<b>Base Admin</b>	\$ 1.19	\$ 1.34	\$ 180,414,557	\$ 203,155,888	12.6%
<b>Total (w/o B&amp;O)</b>	\$ 1.26	\$ 1.51	\$ 191,027,178	\$ 228,929,396	19.8%
<b>Total Cost to State of Washington</b>			\$ 84,051,958	\$ 100,728,934	
<b>Total Cost Federal</b>			\$ 106,975,220	\$ 128,200,462	

# Home Care Agencies Admin. Rate Proposals

## Option 1

Make the \$0.5 per hour administrative Rate Pandemic Add-On (as in Jul 2020) to be part of permanent administrative rate in Biennium 2023-25

	<b>FY2024</b>	<b>FY2025</b>
<b>Cost</b>	\$ 7,866,000	\$ 7,894,000
› <b>GF-State</b>	<b>\$ 3,461,000</b>	<b>\$ 3,473,000</b>
GF-Fed	\$ 4,405,000	\$ 4,421,000

# Home Care Agencies Admin. Rate cont.

**Option 2:** \$ 0.56 per hour

Additional \$0.56 per hour administrative rate, less available pandemic add-on to be part of permanent administrative rate in Biennium 2023-25

	<b>FY2024</b>	<b>FY2025</b>
<b>Cost</b>	\$ 8,809,000	\$ 8,841,000
<b><i>GF-State</i></b>	<b><i>\$ 3,876,000</i></b>	<b><i>\$ 3,890,000</i></b>
<b>GF-Fed</b>	\$ 4,933,000	\$ 4,951,000

**TAB 4**

FY24 Hours **72,014,214**

FY25 Hours **79,594,658**

FMAP **56.0%**

	End FY23 Rate	Low Proposed	Cost @ FY23 Rate	FY23 Cost Proposed	Difference	Percentage
FY24 Current rate	Bad Debt \$ 0.07	\$ 0.07	\$ 5,040,995	\$ 5,040,995	\$ -	0.0%
	Base Admin \$ 1.20	\$ 1.20	\$ 86,417,057	\$ 86,417,057	\$ -	0.0%
	<b>Total (w/o B&amp;O) \$ 1.27</b>	<b>\$ 1.27</b>	<b>\$ 91,458,052</b>	<b>\$ 91,458,052</b>	<b>\$ -</b>	<b>0.0%</b>
		<b>Total Cost to State of Washington \$ 40,241,543</b>	<b>\$ 40,241,543</b>			
		<b>Total Cost Federal \$ 51,216,509</b>	<b>\$ 51,216,509</b>			
	End FY24 Rate	Low Proposed	Cost @ FY23 Rate	FY24 Cost Proposed	Difference	Percentage
FY25 Current rate	Bad Debt \$ 0.07	\$ 0.07	\$ 5,571,626	\$ 5,571,626	\$ -	0.0%
	Base Admin \$ 1.20	\$ 1.20	\$ 95,513,589	\$ 95,513,589	\$ -	0.0%
	<b>Total (w/o B&amp;O) \$ 1.27</b>	<b>\$ 1.27</b>	<b>\$ 101,085,215</b>	<b>\$ 101,085,215</b>	<b>\$ -</b>	<b>0.0%</b>
		<b>Total Cost to State of Washington \$ 44,477,495</b>	<b>\$ 44,477,495</b>			
		<b>Total Cost Federal \$ 56,607,720</b>	<b>\$ 56,607,720</b>			
	End FY23 Rate	Mid Proposed	Cost @ FY22 Rate	FY23 Cost Proposed	Difference	Percentage
FY24 MID	Bad Debt \$ 0.07	\$ 0.04	\$ 5,040,995	\$ 2,880,569	\$ (2,160,426)	-42.9%
	Change Order \$ -	<b>\$ 0.02</b>	\$ -	\$ 1,440,284	\$ 1,440,284	N/A
	Base Admin \$ 1.20	\$ 1.27	\$ 86,417,057	\$ 91,458,052	\$ 5,040,995	5.8%
	<b>Total (w/o B&amp;O) \$ 1.27</b>	<b>\$ 1.33</b>	<b>\$ 91,458,052</b>	<b>\$ 95,778,905</b>	<b>\$ 4,320,853</b>	<b>4.7%</b>
		<b>Total Cost to State of Washington \$ 40,241,543</b>	<b>\$ 42,142,718</b>			
		<b>Total Cost Federal \$ 51,216,509</b>	<b>\$ 53,636,187</b>			
	End FY24 Rate	Mid Proposed	Cost @ FY23 Rate	FY24 Cost Proposed	Difference	Percentage
FY25 MID	Bad Debt \$ 0.04	\$ 0.04	\$ 3,183,786	\$ 3,183,786	\$ -	0.0%
	Change Order \$ 0.02	<b>\$ 0.02</b>	\$ 1,591,893	\$ 1,591,893	\$ -	N/A
	Base Admin \$ 1.27	\$ 1.34	\$ 101,085,215	\$ 106,656,841	\$ 5,571,626	5.5%
	<b>Total (w/o B&amp;O) \$ 1.33</b>	<b>\$ 1.40</b>	<b>\$ 105,860,894</b>	<b>\$ 111,432,521</b>	<b>\$ 5,571,626</b>	<b>5.3%</b>
		<b>Total Cost to State of Washington \$ 46,578,794</b>	<b>\$ 49,030,309</b>			
		<b>Total Cost Federal \$ 59,282,101</b>	<b>\$ 62,402,211</b>			
	End FY23 Rate	HIGH Proposed	Cost @ FY22 Rate	FY23 Cost Proposed	Difference	Percentage
FY24 HIGH	Bad Debt \$ 0.07	\$ 0.04	\$ 5,040,995	\$ 2,880,569	\$ (2,160,426)	-42.9%
	Change Order \$ -	<b>\$ 0.02</b>	\$ -	\$ 1,440,284	\$ 1,440,284	N/A
	Startup Costs \$ -	<b>\$ 0.11</b>	\$ -	\$ 7,921,564	\$ 7,921,564	N/A
	Base Admin \$ 1.20	\$ 1.27	\$ 86,417,057	\$ 91,458,052	\$ 5,040,995	5.8%
<b>Total (w/o B&amp;O) \$ 1.27</b>	<b>\$ 1.44</b>	<b>\$ 91,458,052</b>	<b>\$ 103,700,468</b>	<b>\$ 12,242,416</b>	<b>13.4%</b>	
		<b>Total Cost to State of Washington \$ 40,241,543</b>	<b>\$ 45,628,206</b>			
		<b>Total Cost Federal \$ 51,216,509</b>	<b>\$ 58,072,262</b>			

FY25 HIGH	End FY24 Rate	HIGH Proposed	Cost @ FY23 Rate	FY24 Cost Proposed	Difference	Percentage	
	Bad Debt \$	0.04	\$ 0.04	\$ 3,183,786	\$ 3,183,786	\$ -	0.0%
	Change Order \$	0.02	\$ 0.02	\$ 1,591,893	\$ 1,591,893	\$ -	N/A
	Startup Costs \$	0.11	\$ -	\$ 8,755,412	\$ -	\$ (8,755,412)	N/A
	Base Admin \$	1.27	\$ 1.34	\$ 101,085,215	\$ 106,656,841	\$ 5,571,626	5.5%
<b>Total (w/o B&amp;O) \$</b>	<b>1.44</b>	<b>\$ 1.40</b>	<b>\$ 114,616,307</b>	<b>\$ 111,432,521</b>	<b>\$ (3,183,786)</b>	<b>-2.8%</b>	
		<b>Total Cost to State of Washington</b>	<b>\$ 50,431,175</b>	<b>\$ 49,030,309</b>			
		<b>Total Cost Federal</b>	<b>\$ 64,185,132</b>	<b>\$ 62,402,211</b>			

Summary		Total Cost	Increase/(Decrease) To Prior FY	Cost to Washington	Cost to Federal
	<b>Total Biennium Cost @ Current Rates</b>	\$ 192,543,267	\$ -	\$ 84,719,037	\$ 107,824,229
	<b>Total Biennium Additional Cost MID</b>	\$ 207,211,425	\$ 14,668,158	\$ 91,173,027	\$ 116,038,398
	<b>Total Biennium Additional Cost High</b>	\$ 215,132,989	\$ 22,589,722	\$ 94,658,515	\$ 120,474,474