

DEVELOPMENTAL DISABILITIES ADMINISTRATION



Community Residential Rate Adjustments 2015-17 BIENNIAL BUDGET

Request	FY15	FY16	FY17	15-17
FTE	0.0	3.0	0.0	1.5
GF-State	\$3,915,000	\$8,567,000	\$8,344,000	\$16,911,000
Total	\$7,835,000	\$17,071,000	\$16,699,000	\$33,770,000

DECISION PACKAGE SUMMARY

The Developmental Disabilities Administration (DDA) requests \$33,770,000 (\$16,911,000 GF-State) for Supported Living providers to offer medical coverage to employees working 30 or more hours per week as required under the Affordable Care Act (ACA), standardize administrative rates, and develop an electronic rates setting module in the CARE system. This funding is necessary for residential providers to be able to maintain a stable workforce to continue providing DDA clients with quality community-based services as an alternative to placements in a Residential Habilitation Center (RHC).

PROBLEM STATEMENT

The Centers for Medicare and Medicaid Services (CMS) requires that payments made on behalf of clients of the department be adequately documented to support payments claimed for each day of service billed. DDA provides residential services to approximately 3,700 individuals at an annual cost of \$280 million. The average starting wage offered to supported living employees is among the lowest of all settings provided by DDA or the Aging and Long-Term Support Administration (AL TSA). Due to increased wages for other service provider types, the industry struggles to hire and retain staff. The high turnover rate affects service delivery and the stability of vulnerable adults who have complex medical and behavioral support needs. The result has been providers not being able to accept referrals to serve high acuity clients, resulting in increased admissions to RHCs.

There are several issues with community residential rates. First, Supported Living providers and other employers must offer employees that work over 30 hours per week health insurance or pay penalties beginning January 1, 2015. Also, in 2007, DDA instituted an administrative rate table to address inequities between providers in different geographic areas. New clients, after 2007, are paid at a different administrative rate than existing clients. Standardizing the administrative rate component will decrease the number of rate changes, because the need to rebalance a provider's administrative rates for a group of individuals in one residence when one client leaves or arrives will be eliminated. At the same time, DDA does not have adequate internal controls to prevent improper authorizations and payments to residential providers due to the reliance on hand-keyed information to enact rate changes.



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PROPOSED SOLUTION

Increasing rates paid to Supported Living providers by \$0.77 (total funds) per hour to cover the cost of employee health insurance will help maintain a stable workforce that is vital for ensuring the delivery of quality services to our most vulnerable in a safe and healthy environment in community-based settings, an approximately \$30 million dollar impact. A 1.3 percent administrative rate increase will move all provider rates to a benchmark administrative rate table standard for services provided, with a roughly \$2 million dollar cost over the biennium. DDA also recommends automating the residential rate setting and approval process for children and adults in the CARE system, at cost of around \$300,000. The module will improve our interface with ProviderOne to allow edits when rate changes need approval based on changes in client support needs. These enhancements will promote consistency, transparency and accountability to ensure that: cost reporting policy requirements are met; client services hours purchased are reconciled with payroll records, errors in authorizations and payments are minimized; and residential rates information meets HIPAA related security requirements.

Funding this decision package will decrease supported living staff turnover, which leads to higher client satisfaction and quality outcomes by providing consistent support services for clients with staff who have specialized skills and training. In addition, it will decrease the potential for clients with multiple complicated support needs requesting services in the RHCs at a much higher cost by stabilizing and keeping them in the community residential services and support system.

EXPECTED RESULTS

The budget request supports DSHS Goal 2: Safety – Each individual and each community will be safe and DSHS Goal 4: Quality of Life – Each individual in need will be supported to attain the highest possible quality of life.

The decision package is essential to implementing the DDA Strategic Objective 4.1: Increase access to home and community-based services and Strategic Objective 4.2: Increase the effectiveness of community residential programs to support individuals to have quality lives.

This request supports the Results Washington Goal 3.2.b: Increase percentage of clients with developmental disabilities served in home and community based settings.

STAKEHOLDER IMPACT

Stakeholders, including clients receiving support services and their families, the ARC of Washington, Developmental Disabilities Council, residential providers associations – Community Residential Services Association and Community Protection Providers Association all support a rate increase to cover the cost of healthcare and an hourly benchmark increase for the staff providing residential services and supports to clients in the administration's residential program.



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