

HOUSE BILL REPORT

HB 2463

As Reported by House Committee On:
Human Services

Title: An act relating to community residential programs vendor rates.

Brief Description: Concerning vendor rates for supported living providers.

Sponsors: Representatives Roberts, Sells, O'Brien, Lias and Haler.

Brief History:

Committee Activity:

Human Services: 1/24/08, 2/5/08 [DP].

<p>Brief Summary of Bill</p> <ul style="list-style-type: none">• Modifies the geographic categories used by the Department of Social and Health Services to set supported living provider vendor rates.
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HOUSE COMMITTEE ON HUMAN SERVICES

Majority Report: Do pass. Signed by 7 members: Representatives Dickerson, Chair; Roberts, Vice Chair; Ahern, Ranking Minority Member; Walsh, Assistant Ranking Minority Member; Bailey, McCoy and O'Brien.

Minority Report: Do not pass. Signed by 1 member: Representative Darneille.

Staff: Brian Considine (786-7290).

Background:

The Division of Developmental Disabilities (DDD) Supported Living Services, within the Department of Social and Health Services (DSHS), offers instruction and support to persons with developmental disabilities who live in their own homes in the community. Clients who receive supported living services are 18 years of age or older, and they have been assessed as needing supported living services to meet their health and welfare needs.

Support services may vary from a few hours per month up to 24 hours per day of one-on-one support. Clients pay their own rent, food, and other personal expenses, and the DDD contracts

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with private agencies to provide supported living services. These services are also offered by the State Operated Living Alternatives (SOLA) program, which is a supported living service offered by state employees.

Services provided may include: alternative living services, dental services, child development services, community access services, employment, family services, therapeutic services, nursing and/or therapeutic services.

Funding for these services come from the State General Fund and federal funds - i.e. Medicaid. During the 2007 fiscal year, the DDD reports that it served 3,354 people, and it contracted with 141 providers.

Rates are determined for each individual client based on the number of direct care staff hours needed to meet the client's assessed needs. Staff hours are paid at a pre-determined benchmark rate specific to county categories (Metropolitan Service Areas (MSA), Non-MSA and King County). In addition to the direct staff rate, an Indirect Client Support / Administrative rate is applied. A client transportation rate is calculated, and for agencies that provide lodging for overnight staff usage, a rate for the lodging cost is included. All rates are reviewed by the Cost Reimbursement Analyst and approved by the Residential Program Manager and the Division Director.

Summary of Bill:

The DSHS supported living vendor rates are modified by putting Snohomish County in the same geographic category as King County. The categories will be: King and Snohomish counties; MSA; and Non-MSA.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on July 1, 2008.

Staff Summary of Public Testimony:

(In support) Snohomish County providers have the same level of expenses as King County providers, and they cannot compete against King County providers because King County providers can pay their employees more since their vendor rates are higher. Providers are grateful for the increase in last year's budget for services for individuals with developmental disabilities. Snohomish County providers face a unique problem, and they want fee equalization to stop the migration of workers from Snohomish County into King County. Many Snohomish County providers are understaffed because of the vendor rate inequality, and this creates an astronomical cost for overtime pay for piecemeal filling on shifts. Also, providers cannot provide the best services because their staff cannot get to know the individual clients well enough. Snohomish County providers work very hard with very little

resources to obtain staff, and supervisors are putting in a lot of overtime to provide direct services to clients. Currently, King County's rate is 62 cents higher than Snohomish County's rate, and the rate is used to pay for entry level workers and supervisors alike. Providers operate with 15 to 18 vacant positions that are filled with overtime by current staff. An increase in the benchmark rate will allow providers to hire and retain higher quality people. An August 2007 survey of direct care workers in the DDD contracted residential agencies in Snohomish County showed that many workers are struggling financially because the pay is too low and it does not allow them to meet their financial obligations.

(Opposed) Service Employers International Union 775 is opposed to this bill as it is currently written because it does little to make sustainable, equitable improvements for direct support workers in this industry. The Legislature has a responsibility to address the workforce crisis in supported living in an accountable, sustainable, and equitable manner, and this bill is inconsistent with that responsibility. There is no provision that ensures that the additional funding proposed in this bill actually goes to the wages and benefits of direct support workers. While some providers may pass the money on to their workers, without a collective bargaining agreement, or similar mechanism, it is up to providers to decide how to allocate the money. Additionally, this bill creates a special benefit for providers in Snohomish County and it does not address the needs of providers in other counties such as Thurston or Pierce. Finally, this bill writes the DSHS current practice into law. If the Legislature takes on the authority for determining vendor rates, then it should be done in a more careful, thorough way.

The DSHS is against this bill because it is not in the Governor's budget. Rate setting is not unique to supported living providers, and it is done in many other programs that the DSHS administers. Last session, the DSHS was required to look at geographic classes in determining vendor rates for a report due this summer. The report will focus on more than just supported living providers, and the committee should wait for the study to be published so that it can help inform the members on this issue.

Persons Testifying: (In support) Representative Roberts, prime sponsor; Sue Closser and Michelle Barnes, Sunrise Services; and Janet Michaelson, Snohomish Coalition for a Living Wage.

(Opposed) Sterling Harders, Service Employers International Union 775 Northwest; and Kathy Marshall, Department of Social and Health Services.

Persons Signed In To Testify But Not Testifying: None.