
Early Learning & Human Services Committee

HB 2600

Brief Description: Updating the supported living cost report.

Sponsors: Representatives Farivar, Reed, Simmons, Scott, Pollet, Macri and Timmons.

Brief Summary of Bill

- Requires the Department of Social and Health Services (DSHS) to update the supported living cost report template to comply with federal law and regulations and to facilitate addressing the direct support professional workforce shortage in the supported living industry.
- Creates a work group supported by the DSHS for the purpose of developing supported living Medicaid rate recommendations.

Hearing Date: 2/24/26

Staff: Luke Wickham (786-7146).

Background:

Department of Social and Health Services Developmental Disabilities Services.

The Department of Social and Health Services (DSHS) assists individuals with intellectual and developmental disabilities with obtaining services and supports based on individual preferences, capabilities, and needs. Clients may live in the community or in an institutional setting such as a residential habilitation center.

Community-Based Placements.

Clients may choose to live in a community-based residential setting that is available under a

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home and community-based services Medicaid waiver and provides supports that meet the client's assessed needs. Typically, clients pay for their own room and board, and providers receive reimbursement for their services through contracts with the DSHS. Examples of DSHS-contracted community-based placements are:

- group homes and group training homes, which offer instruction and support in a residential facility that is provider-owned or leased and serves 5 to 12 adults;
- supported living services, which support clients living in their own home in the community with up to three roommates, with support services provided by a DSHS-contracted agency; and
- companion homes, which are DSHS-contracted individual placements in typical family settings, following an adult foster care model.

In addition to contracted community-based placements, the DSHS operates state-operated living alternatives (SOLAs). The SOLAs are equivalent to supported living but are staffed by state employees, rather than contracted providers.

Cost Report for Residential Programs Supporting Individuals with Developmental Disabilities. Entities that contract with the DSHS to provide certain residential services and supports for individuals with developmental disabilities are required to complete an annual cost report that documents expenses related to the provision of client support, training, and other activities. The DSHS creates a template that providers use to submit the information that is required for this annual cost report.

Summary of Bill:

Supported Living Cost Report.

The Department of Social and Health Services (DSHS) is required to update the supported living cost report template to comply with federal law and regulations and to facilitate addressing the direct support professional workforce shortage in the supported living industry. These updates to the supported living cost report template must include:

- full-time equivalent employee counts for each type of instruction and support services staff;
- the number of each type of instruction and support services staff;
- annual weighted average base hourly wage by each instruction and support services staff;
- detailed benefit information for each instruction and support services staff; and
- disaggregated revenue line items including client tier and any non-Medicaid revenue.

Supported Living Work Group.

The DSHS must provide administrative and logistical support for a supported living work group (work group).

The work group membership includes:

- the secretary of the DSHS;
- three supported living providers, with at least one nonprofit and one for-profit provider,

- from the top five supported living providers, appointed by the Governor;
- a representative from an organization not affiliated with a supported living provider representing people with intellectual, developmental, or physical disabilities, appointed by the Governor; and
- three representatives, with at least one direct service professional, from the union representing the largest number of direct support professionals under state-contracted services, appointed by the union.

The work group must develop supported living Medicaid rate recommendations to promote equitable compensation for direct support professionals. In developing these recommendations, the work group must consider requirements on how supported living providers must use the instructional support services rate to improve compensation for direct support professionals. Recommendations may include penalties for providers who fail to demonstrate compliance with work group recommendations.

The DSHS may contract with a private entity to provide data analysis of the information submitted by work group members to inform the work group's development of wage investment proposals.

The DSHS must issue a final report to the Legislature by December 1, 2026, that includes certain findings and recommendations for direct support professional wage investment proposals.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.