Washington State Department of Social & Health Services

Transforming lives

Rate Setting Board

April 18, 2022

9:00 a.m. – 3:00 p.m. Zoom attendance Only

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Washington State Department of Social & Health Services

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TAB 1

Consumer Directed Employer Rate Setting Board
April 18, 2022
9:00 am – 3:00 pm

Agenda

Time/Minutes	Topic	Presenter
9:00-9:10	Welcome and Introductions	Facilitator
9:10-9:15	Purpose/Meeting Overview	Chair
9:15-9:20	Approval of the Minutes 03.21.22	Chair
	Board Groundwork	
9:20-10:05	Draft Bylaws Review, Discuss and Update Vote on Bylaws	Chair
10:05-10:30	Charter Review, Discuss and Update Vote on Charter	Chair
10:30-10:40	Break	
10:40-11:20	Policies & Procedures Review, Discuss and Update Vote on P&Ps	Chair
	Opening Remarks	
11:20-11:40	OFM/DSHS Remarks	DSHS
11:40-12:00	SEIU Remarks	SIEU 775
12:00-12:45	Lunch Break	
12:45-1:00	CDWA Opening Remarks	CDWA
	Foundational Information	
1:00-1:10	IP Historical Funding	DSHS
1:10-1:20	Historical CBA Lookback	DSHS
1:20-1:40	Emerging Population Growth	DSHS
1:40-2:00	Review of Overall CDE Rate Structure	DSHS
2:00-2:30	Home Care Agency Parity	DSHS
2:30-2:45	Board Discussion	All
2:45-3:00	Public Comment	Chair/Facilitator
3:00	Adjourn	Chair

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

Washington State Department of Social & Health Services

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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

Washington State Department of Social & Health Services

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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 9:00am – 3:00pm	TBD
May 19, 2022 9:00am – 3:00pm	TBD
June 9, 2022 9:00am – 3:00pm	TBD
June 14, 2022 9:00am – 3:00pm	TBD

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

TAB 2

Consumer Directed Employer Rate Setting Board

Bylaws

Approved 04/18/2022

Table of Contents

Article I. Name

The name of this body shall be the Consumer Directed Employer Rate Setting Board, also known as the "Board".

Article II. Mission Statement

The Board's mission is to determine a rational and sound rate guided by the joint goals of continuing a successful self-directed care in-home program and promoting the growth of the individual provider (IP) workforce, while sustaining the Consumer Directed Employer (CDE).

Article III. Definitions

Administrative Rate**:** is that portion of a consumer directed employer's hourly rate that is to be used by the consumer directed employer to perform its administrative duties.

Board Staff: is a member of the Department of Social and Health Services CDE Program Unit.

Labor Rate: is that portion of the consumer directed employer's hourly rate that is to be used by the consumer directed employer to compensate its workers, including wages, benefits, and any associated taxes.

Open Public Meetings Act (OPMA): is a statute that requires that all meetings of governing bodies of public agencies, including cities, counties, and special purpose districts, be open to the public.

Article IV. Purpose, Function, and Responsibilities

Section 1. Purpose

The Board was established per RCW 74.39A.530 to evaluate and determine a proposed rate paid to the CDE. The rate consists of a combined labor and an administrative component.

If there are two contracted consumer directed employers, then all references to the CDE shall be interpreted in the plural throughout the bylaws.

Section 2. Function/Responsibilities

The Board functions as the public body responsible to collaboratively review, discuss and determine the rate to be paid to the CDE. This is accomplished on an even year cycle and between cycles if needed.

Board members are responsible to evaluate and propose changes in the rate to be paid to the CDE that includes a labor component to be used exclusively for paying the wages, associate taxes, and benefits of IPs; and an administrative component that is fair and sufficient to generate a reasonable rate of return for the CDE vendor. Responsibilities of the Board include the following. Board members will:

- Comply with the Open Public Meetings Act (OPMA) requirements,
- Receive rate setting materials and information one week prior to each meeting,
- Review the material and come prepared for discussion,
- Collaboratively discuss the materials, and listen to testimony, and
- Have an opportunity to ask questions or request more information.

The agreed upon CDE rate will be submitted to OFM to determine if the rate is financially feasible for the state. If certified, the rate will be included in the Governor's budget for the legislature to approve or reject the request for funds as a whole during regular session of each odd year. If the legislature rejects the request, the matter shall return to the Board for further consideration and development of a revised proposed rate.

Article V. Membership

Section 1. Appointments

The Board consists of members as outlined in RCW 74.39A.530.

1. Voting Members
    a. One representative from the Governor's office
    b. One representative from the Department of Social and Health Services (DSHS)
    c. One representative from each Consumer Directed Employer
    d. One designee from the exclusive bargaining unit. In the absence of an exclusive bargaining representative, a designee from the consumer directed employer workforce chosen by the employees of the Consumer Directed Employer
    e. A fifth voting member shall be selected at the commencement of the Board's activities by the aforementioned members. This person shall Chair the Board and cast a tie-breaking vote if the voting members are unable to pass by majority vote on the labor rate component. The selection process for the Chair is outlined in the Selecting the Rate Setting Board Chair Policy & Procedure.

2. Non-voting, advisory members
    a. Four legislators, one member from each caucus of the House of Representatives and the Senate
    b. One representative from the State Council on Aging
    c. One representative of an organization representing people with intellectual or developmental disabilities;
    d. One representative of an organization representing people with physical disabilities;
    e. One representative from the licensed home care agency industry chosen by the state's largest association of home care agencies that primarily serves state-funded clients
    f. One home care worker chosen by the state's largest organization of home care workers

    Other than the legislators, state agency representatives, and Chair identified in this section, members of the Board are appointed by the Governor for terms of two years, except the Governor shall appoint the initial members identified in (1,c.), (1,d.), and (2,b.) through (2,f.) of the section to staggered terms not to exceed four years.

Section 2. Board Chair

At the start of the Board's rate setting activities, the voting members must first select an additional voting member, who will Chair the Board. The Chair is responsible to:

1. Preside over Board meetings.
2. Cast a tie-breaking vote if the voting members fail to reach agreement on the labor rate.
3. Act as the Board's formal spokesperson. If an alternate spokesperson is needed the Board can designate a particular spokesperson for a specific issue as needed. Public statements by the Chair or designated spokesperson on behalf of the Board must reflect the Board's adopted recommendations and positions.

Section 3. Vacancies and Removal

1. The Governor's appointments shall be made by April 1 of each even-numbered year.
2. All mid-term vacancy of an appointed Board member, or an appointment from the appointing authority replacing a former member shall be for the remainder for the unexpired term.
3. When one of the Governor appointed Board seats is vacant, the Board and DSHS may make a recommendation to the Governor on filling the vacant seat.
4. Governor or legislative appointed members appointed to fill a vacancy with a remaining term of less than one and one-half years may be reappointed for the next two-year term.

Section 4. Resignations

If a Governor appointed Board member is unable to complete their term, they must inform the Governor's Office and the Board staff. A letter of resignation should be sent to the Governor indicating the date their resignation is effective and whether they are able to serve until a replacement is named.

Section 5. Attendance

1. Regular and consistent attendance of Board Members is critical to effective functioning and to meet the requirements as outlined in RCW 74.39A.530. Board members are expected to attend the majority of the meetings.
2. Staff taking the minutes of a Board meeting shall record the attendance. The meeting minutes will reflect those voting and non-voting members who attended in person, virtually, or were absent.
3. If a Board member is unable to attend two meetings in a row, the Board will review whether the position on the Board should be forfeited. The voting members will vote on any recommended action.

Section 6. Compensation and Reimbursement for Expenses

If funding is available DSHS may reimburse Board members eligible for travel and other bona fide expenses in accordance with RCW 43.03.050 and 43.03.060.

Article VI. Meetings

Section 1. Overview

All Board meetings shall be held to conform to the Open Public Meetings Act, RCW 42.30. Meeting notices will be posted on the CDE internet website.

Section 2. Frequency

1. Regular Board Meetings
    a. By January 30 of each even year, Board staff will send to the Code Reviser's Office for publication the date, time and location for regular Board meetings for that year.
    b. The date, time and location for regular Board meetings shall be set by majority vote of the voting members of the Board or by the Chair. The Chair may cancel a regular Board meeting for justifiable reasons, including the lack of sufficient agenda items or lack of a quorum.
2. Special Board Meetings
    a. The Chair may call a special meeting of the Board at any time.
    b. Board members may call a special meeting at any time provided a majority of the voting board members agree.
    c. Notice must be delivered 72 hours before the meeting to each member of the Board.
    d. The general public must also be given 72 hour notice.
    e. The notice must specify the time, place and the nature of the business to be conducted at the meeting. The Board may not take final action on any item not listed in the public notice.

Section 3. Quorum

1. A majority of the voting members of the Board shall constitute a quorum for the transaction of business and is necessary for any action to taken by the Board. In the event there are vacancies on the Board, a majority of existing voting members shall constitute a quorum.
2. Any Board action may be taken by voice vote. Whenever a vote is non-unanimous, the Chair shall call for a show of hands. At the request of any board member, the Chair shall poll the members individually to record their votes.

Section 4. Process and Manner of Voting

Voting Process

When the board membership has four voting members listed in Article V., Section 1, each voting member shall have one vote. When there are five voting members due to two CDEs representatives, each voting member shall have two votes with the exception of the CDE representatives who shall have one vote. Voting members cannot split their votes. A majority of the voting members of the Board constitutes a quorum.

Manner of Voting

1. The voting on Chair election, motions, and resolutions shall be conducted by voice vote.
2. In lieu of voice vote, a Board member may request a vote by roll call, and the Chair will honor any such request.
3. Absentee voting is not permitted.
4. The use of proxies is not permitted.
5. Secret votes are not permitted.
6. Only Board members identified in Article IV., Section 1, may vote.

Section 5. Rules of Procedure

1. The procedures used to conduct Board business will be determined by these Bylaws, the Open Public Meetings Act, RCW 42.56, and the Board's authorizing statute, RCW 74.39A.530.
2. Robert's Rules of Order shall be used for formal Board actions and will be used when taking

official positions, when approving the agenda and minutes of Board meetings, and when amending the Bylaws. In all other instances informal or formal procedures may be used.

Section 6. Meeting Minutes and Agendas

1. Agenda for all meetings proposed by the Chair, no less than 7 days prior to meeting
2. Chair reserves right to change and modify the proposed agenda of a regularly scheduled meeting at any time prior.
3. The agenda shall be adopted by majority vote of the voting members of the board.
4. Board members are encouraged to submit meeting agenda items to the Chair for consideration at least 10 business days prior to the meeting.
5. Board staff will assist the Chair with the administrative duties.
6. The meeting minutes will be posted once they have been approved by the Board.

Section 7. Board Staff

The Department of Social and Health Services shall provide administrative and operational support to the Board.

Section 8. Public Comment

The Chair may solicit public comment on any or all agenda items during meetings. The Chair of the Board will set the time limit of speakers. Based on the content, some agendas may not include a public comment period.

Section 9. Legal Advice

Each board and commission is assigned an Assistant Attorney General (AAG) to provide valuable information and advice about statutes and legal issues. Requests can be made by the Chair to the Board AAG regarding decisions, conflict of interest, review proposed documents, complaints, and general legal advice about Board actions and activities.

Each involved Administration/Agencies will continue to have the ability to work with and seek legal advice from their respective AAG or private attorney's about CDE business which could involve rate setting matters. Under statute that advice would be kept under client attorney privilege unless endorsed by the attorney involved.

Section 10. Lobbying

1. No Board member or employee may use the name of the Board to support or oppose any issue or cause.
2. The Board and its members can lobby in their official capacity as Board members in support or opposition to legislative proposals if authorized by a vote of the Board or is required as a function of the Board, such as testifying as a Board member.
3. Board members may provide information to appropriate parties about proposed legislation and its potential effect on the Board.
4. Board members are permitted to lobby in support or opposition to legislative proposals on behalf of organizations they represent or in their individual capacity, provided they do not connect their activities to their position as a Board member in any way.

Article VII. Amendment Procedures

Section 1. How to Amend the Board Bylaws

1. These bylaws may be amended by any meeting of the Board that meets quorum requirements outlined in Article VI., Section 3 of these bylaws.
2. Proposed amendments shall be presented at a Board meeting for discussion and to get all questions answered. Recommended amendments will then be voted on at a subsequent Board meeting.
3. Approval of a majority of the Board who are in attendance is required. The Chair may be included in the approval process to break a tie vote if applicable.

Bylaws Approval

The Board approved the bylaws by majority vote on April 18, 2022.

Consumer Directed Employer Rate Setting Board

CHARTER

Approved 04/18/2022

Background and Purpose

In the 2018 legislative session, SB 6199 gave DSHS the authority to establish a Consumer Directed Employer (CDE) program. The CDE becomes the legal employer for administrative purposes for all individual providers (IPs) in Washington State. The statute established a fourteen-person Rate-Setting Board (the Board).

The purpose of the Board is to evaluate and recommend to the legislature the CDE rate which includes a labor and an administrative component. The labor rate is the portion of the payment that is used to compensate the IPs, which includes wages, benefits, and any associated taxes. The administrative rate is the portion of the payment that is used to compensate the CDE for administrative duties.

Responsibilities

The Board functions as the public body responsible to collaboratively review, discuss and propose the rate to be paid to the CDE. Subject to the Rate Setting Board By-laws, the Board as a whole has authority and is responsible to:

- Convene beginning in 2022 and every even year afterward of the regular rate setting meeting cycle
- Support an environment that promotes inclusion, respect and confidence for all members and participants
- Be familiar with and comply with the Open Public Meetings Act
- Identify data needed for rate-setting purposes
- Evaluate and apply critical analysis to all information presented and testimony provided during meetings
- Recommend a CDE combined labor and administrative rate to the legislature prior to July 1st of the year the Board meets
    - If an agreement on either the labor, an administrative rate, or both, is not reached by a majority of the voting members of the Board prior to July 1st, then
        - The labor rate shall be determined by the vote of the Chair; and
        - The administrative rate component shall be determined by DSHS.
- Take testimony and make a recommendation regarding the administrative vendor rate for home care agencies that service Medicaid clients
- Establish, review, amend, and adopt Board governance documents, such as by-laws, policies and procedures, and team norms
- Convene additional off cycle meetings when the rate must be changed due to unforeseen circumstances or if the legislature rejects the proposed rate

- Not participate in the collective bargaining process during RSB meetings

Consumer Directed Employer (CDE) Rate Setting Board

Policy & Procedure #01: Selecting the Rate Setting Board Chairperson

Policy:
The Rate Setting Board (Board) will select a Chairperson (Chair) as the first order of business of each two-year cycle as described in RCW 74.39A.530 Section 5.

Original Effective Date: 04/18/2022
Revision Date: NA

Purpose:
This procedure describes the process for selecting the Board Chair, who's duties will include, among others, casting the tie-breaking vote if the voting members are unable to pass the labor rate by majority vote.

Procedure:
1. As the first order of business, the voting members of the Board shall select, by majority vote, an additional voting member who will chair the Board. Each voting member will bring 2 potential candidate names for discussion. Those candidates must be willing and able to serve in this role.
2. If the voting members fail to select a Chair, the following selection process will be pursued:
3. The first time that the voting members fail to select a tie-breaking member by a majority vote:
    a. The voting member representing the governor's office shall bring to the meeting a list of five qualified arbitrators, or six if there are two CDEs, from the federal mediation and conciliation service.
    b. If a majority of the voting members of the Board cannot agree on the selection of a neutral arbitrator from the list, the following order of Board members strike names off the list.
        (i) Representative from the CDE who first contacted the department (contracted)
        (ii) The representative from the governor's office
        (iii) The designee from the exclusive bargaining representative or, in the absence of an exclusive bargaining representative, the designee from the consumer directed employer workforce
        (iv) If there are two consumer directed employers, the second representative shall strike a name
        (v) The representative from the department.
    c. The name of the arbitrator remaining after the final strike shall be the Chair.
    d. If that person is not willing or available to be the Chair, the second to last person remaining on the list shall be asked to be the Chair.
    e. If the second to last person is not willing or available, the third to last person shall be asked to be the Chair.
    f. This process of selecting an arbitrator shall continue until a Chair is appointed.
4. The subsequent time the voting Board members fail to select a Chair by a majority vote, the Chair will be selected using the method described in items 3(b) through 3(f) of this procedure, except that the order of Board members striking names from the list described shall be reversed.

5. On each successive occasion that the voting members fail to select a Chair by a majority vote, the order of Board members striking names from the list will continue to alternate between the order described in items 3(b) through 3(f) of this procedure.
6. The need to invoke steps and the sequence in which Board members struck names from the list described above shall be detailed in the meeting minutes.

TAB 3

Purpose/Meeting Overview

RSB Chair

CDE Rate Setting Board

Mission Statement

The Board's mission is to determine a rational and sound rate guided by the joint goals of:

- continuing a successful self-directed care in-home program and
- promoting the growth of the individual provider (IP) workforce,
- while sustaining the Consumer Directed Employer(CDE).

Function of the Rate Setting Board

Bring diverse perspectives and expertise to:

- Review proposals for rate setting
- Discuss and evaluate rational and sound rates
- Recommend rates to the legislature

Topics

Labor Rate: portion pay to IP includes: wages, benefits & associated taxes

Administrative Rate: compensate CDE for administrative duties

Robert's Rules Overview –TO VOTE

6-steps to make a motion for a vote:

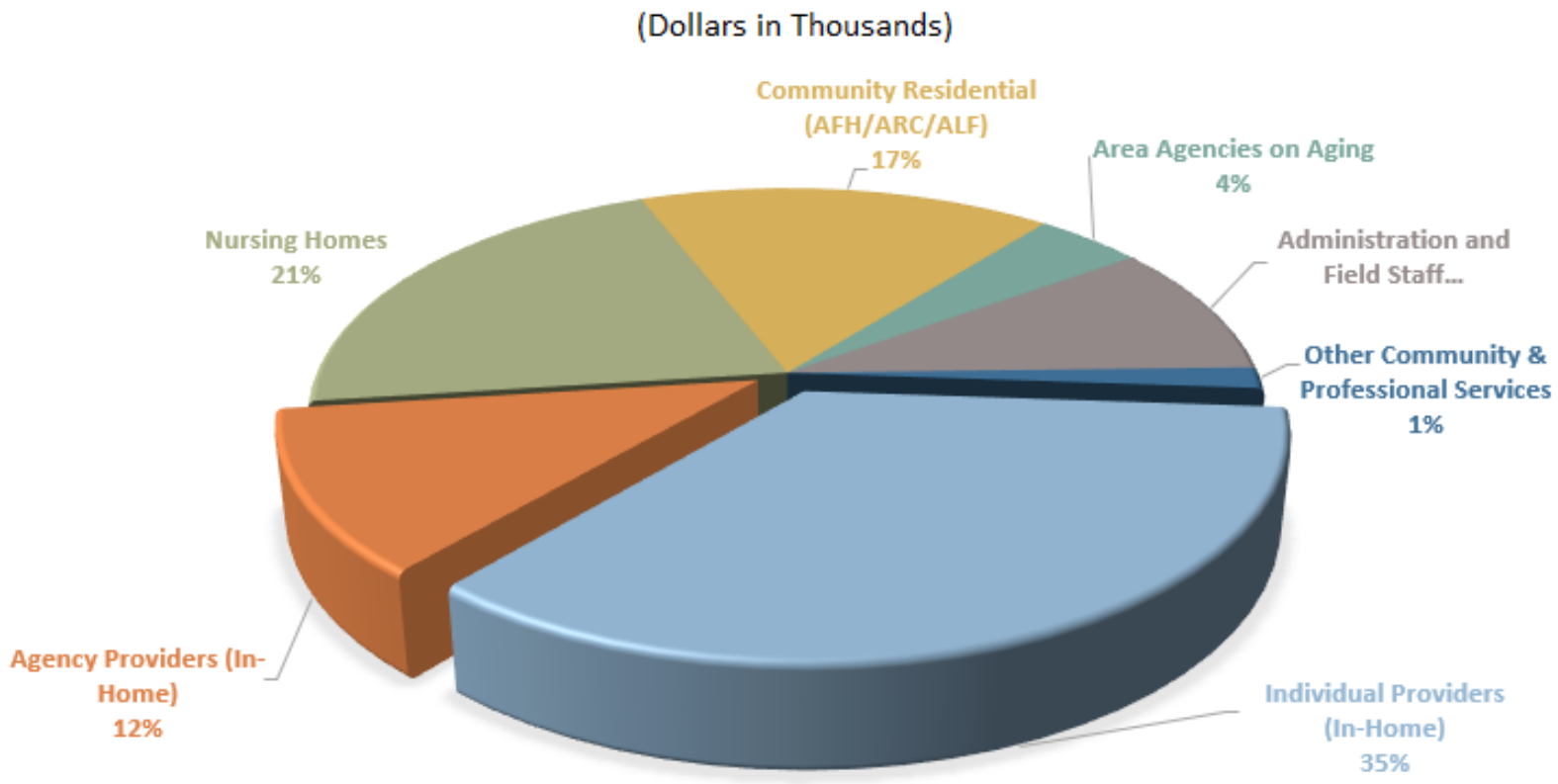
1. Member makes a motion
2. Another member seconds the motion
3. The Chair re-states the motion, formally present to Board for discussion.
4. The members discuss the motion
5. The Chair puts the question to a vote—4 voting members.
6. The Chair announces the results of the vote.

TAB 4

IP Historical Funding

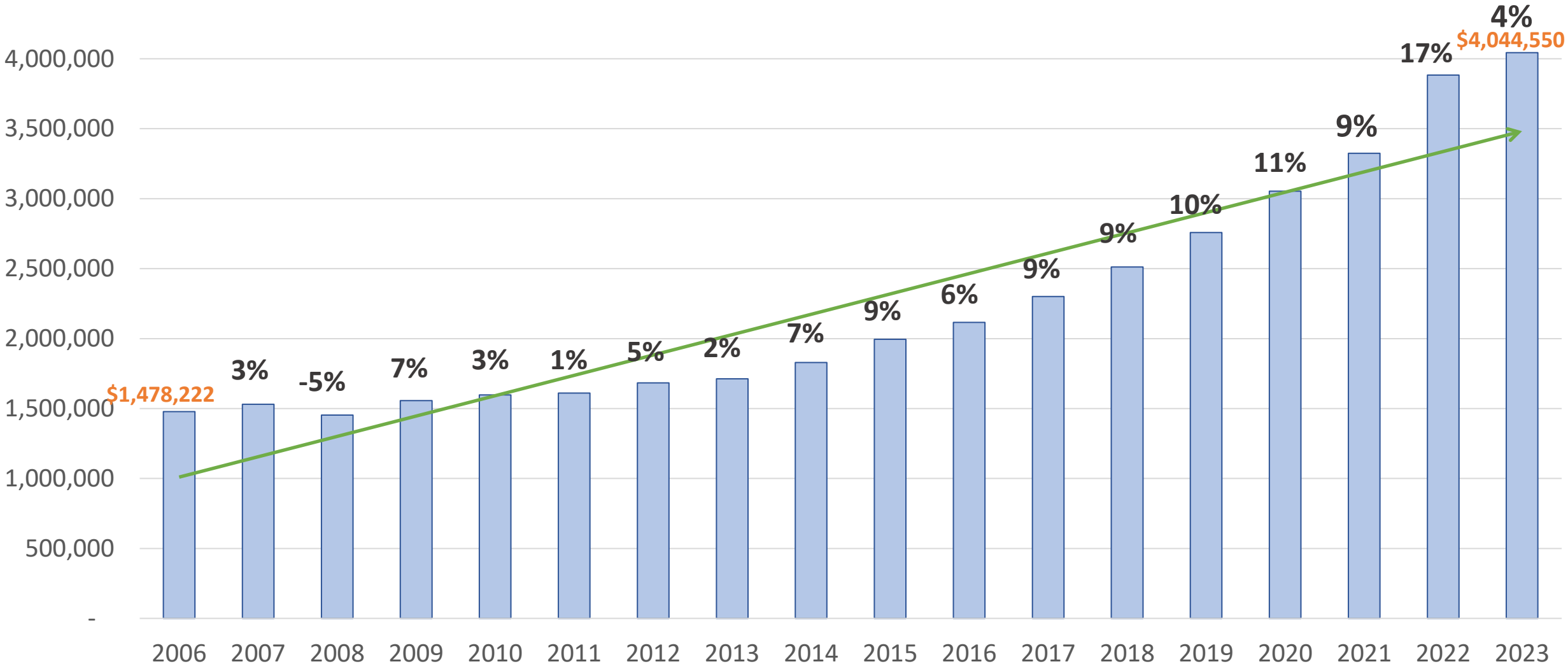
Eric Mandt, Asst. Director, Management Services Division, ALTSA

ALTSA 21-23 Biennium budget summary



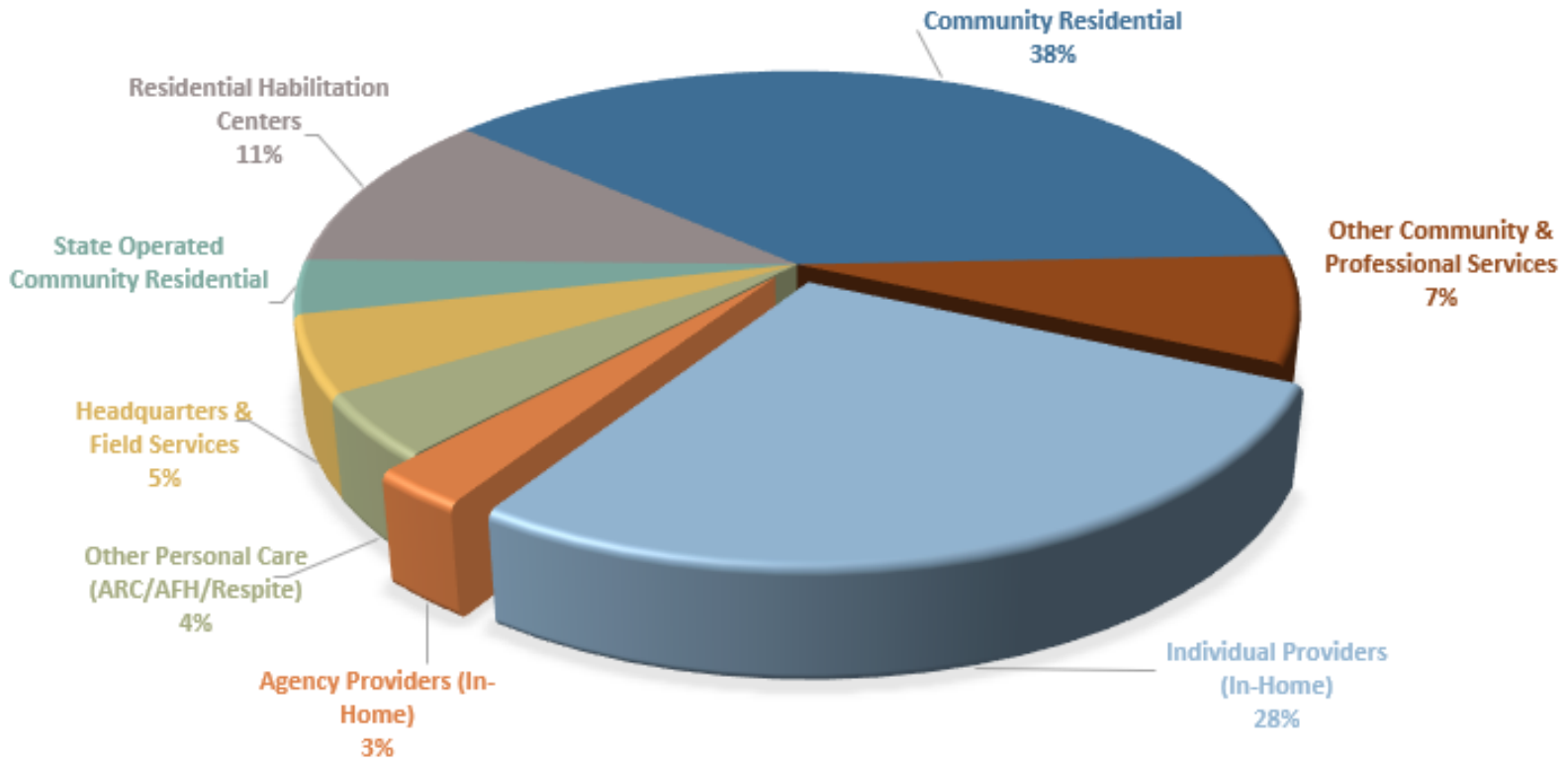
2021-23 Budget (2022 Supplemental included)	FTEs	GF-S	Other	Total
Individual Providers (In-Home)	0.0	1,128,332	0	3,005,454
Agency Providers (In-Home)	0.0	376,111	0	1,001,818
Nursing Homes	0.0	711,778	133,360	1,806,603
Community Residential (AFH/ARC/ALF)	0.0	569,745	0	1,417,706
Area Agencies on Aging	0.0	187,254	0	370,578
Administration and Field Staff	2,505.2	347,913	62,106	819,260
Other Community & Professional Services	17.6	57,197	0	129,753
TOTAL	**2,522.8**	**3,378,330**	**195,466**	**8,551,172**

ALTSA budget history by fiscal year



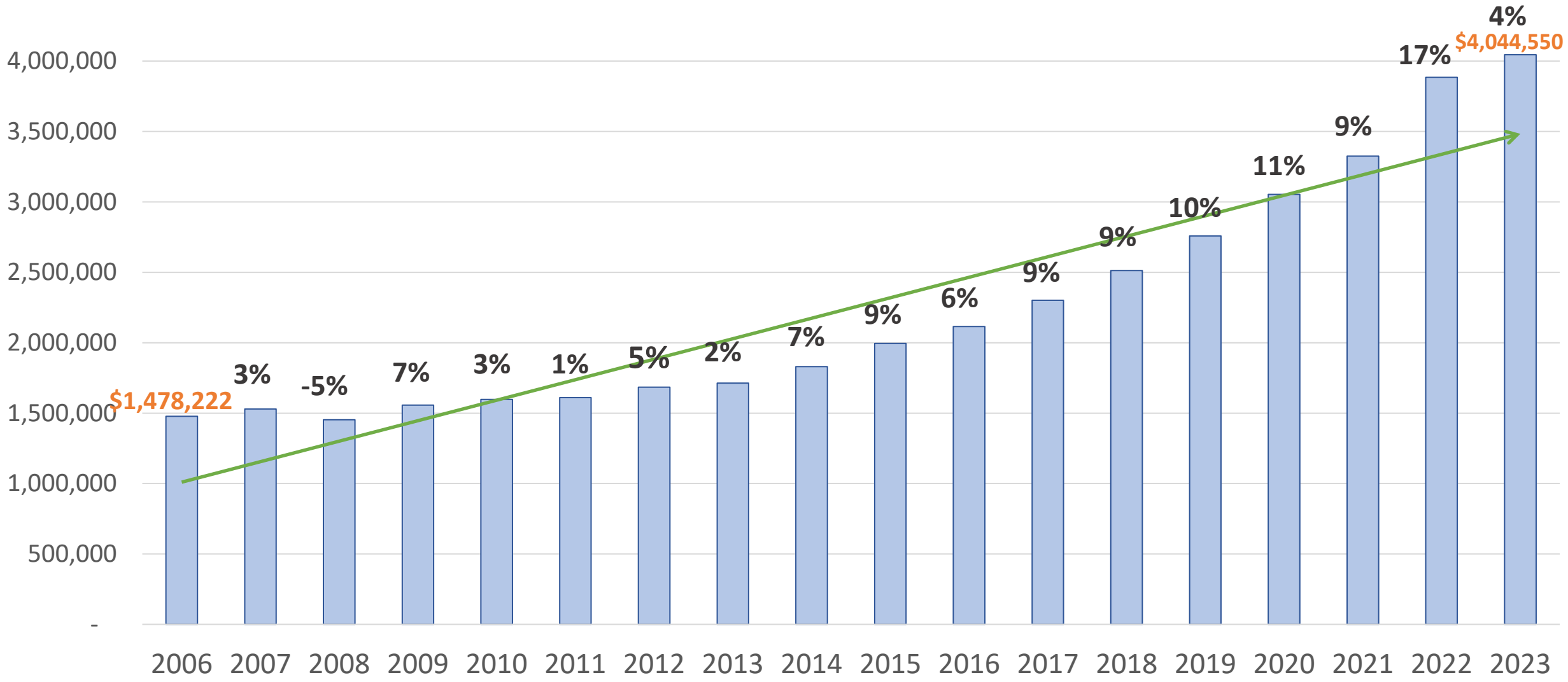
DDA 21-23 Biennium budget summary

(Dollars in Thousands)



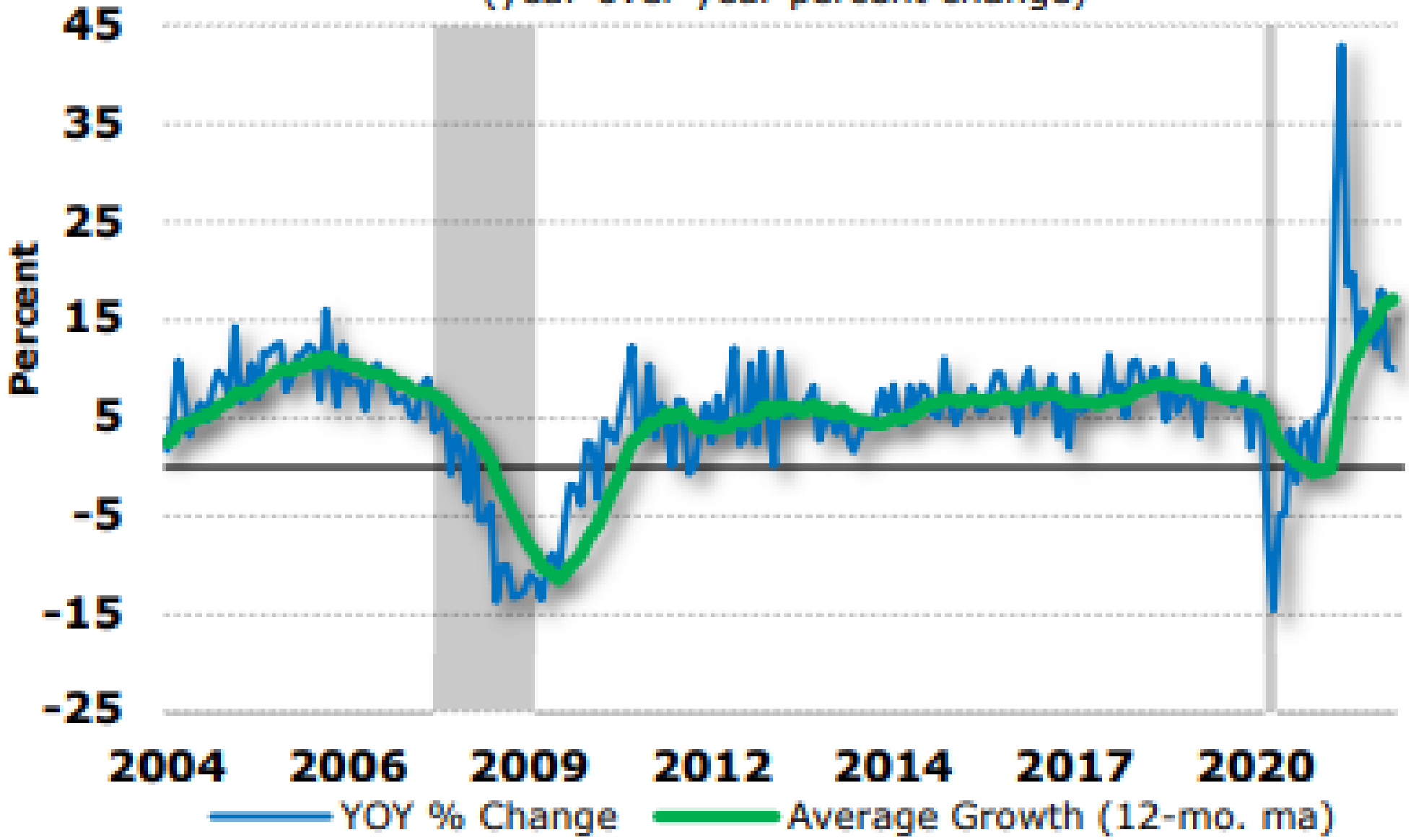
2021-23 Budget (2022 Supplemental included)	FTEs	GF-S	Other	Total
Individual Providers (In-Home)	0.0	508,805	0	1,316,109
Agency Providers (In-Home)	0.0	48,802	0	127,705
Other Personal Care (ARC/AFH/Respite)	0.0	85,307	434	208,239
Headquarters & Field Services	1,083.7	145,633	0	254,777
State Operated Community Residential	1,083.3	84,755	100	178,541
Residential Habilitation Centers	2,674.9	248,019	27,043	532,675
Community Residential	0.0	795,643	3,524	1,808,048
Other Community & Professional Services	5.3	157,916	52,000	348,953
TOTAL	**4,847.2**	**2,074,880**	**83,101**	**4,775,047**

DDA budget history by fiscal year



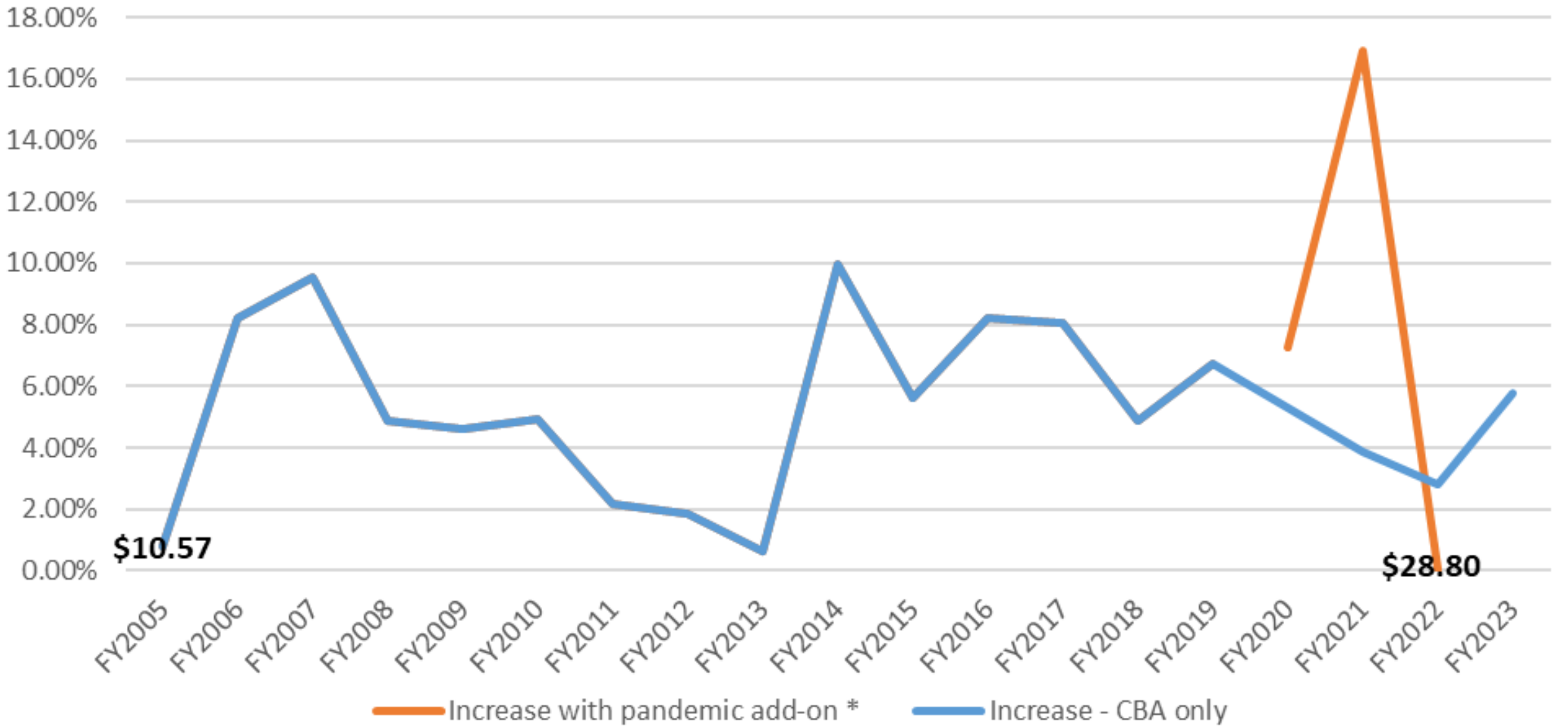
Revenue Act collections*

(year-over-year percent change)



*Current definition, adjusted for large payments/refunds and deferred 2020 payments

Individual Provider Collective Bargaining Agreement
Incremental Wage Rate Changes Year Over Year



*The FY2023 add-on has not yet been negotiated and therefore not included in this chart

TAB 5

Historical CBA Lookback

Amber Johnson, Planning and Labor Management Manager, ALTSA

Washington State Department of Social & Health Services

Transforming lives

April 2021

Historical Review of SEIU 775 CBAs

2003

Starting wages were $8.43.

2005

We contributed in healthcare paying $400 per month for eligible IPs.

2006

Paid time off (PTO) started with 1 hour for every 50 department paid hours worked. Cap 80 hours.

2007

Partnered with SEIU 775 and shared the cost of investment of $30,000 for a consultant with SEIU 775 for the retirement trust.

2007

Started paying an additional $1.00 for mentor, preceptor, or training differential.

2009

Contributed $.10 per Department Paid Hour (DPH) for the Training Trust.

2014

Paid an additional $.25 cents for Healthcare Aid Credential and an additional $.25 cents for Advanced Training.

2021

Contribute $3.79 per DPH for Healthcare.

2021

Contribute $.435 per DPH for training differential

2021

July PTO is 1 hour for every 25 hours worked cap 130 hours. Independence Day and New Years recognized days to receive paid time and half.

2022

January wages are cumulative working hours starting at $16.98 (0-2000 hours) and $19.35 (20,001+ hours) cumulative work hours or more.

2022

Retirement Trust = $.80 DPH for providers with less then 791 cumulative hours and $.50 DPH for providers with more than 701 cumulative hours.

2022

July of 2022 DSHS contributes $3.98 for Healthcare Trust

2023

January 2023 $18.14 on the low end of cumulative wage scale and $20.55 for a worker at the high end of the scale.

Historical Look at SEIU 775 CBAs for Individual Providers

Topic	2002-2005 CBA
Hourly Wages *Base rate without differential	**10/1/2003** $8.43 per DPH **10/1/2004** $8.93 per DPH
Health Care Benefits Trust * $0.01 must go toward Health and Safety Benefit	1/1/2005 $400 per month for eligible IPs. Eligible IP works at least 86.6 hours a month for 3 consecutive months and pays $17 per month.

DPH= Department Paid Hour

Topic	2005-2007 CBA	2007-2009 CBA	2009-2011 CBA
<u>Training Trust</u> **Training and Certification**			**FY 2010** $.10 per DPH **FY 2011** $.22 per DPH
<u>Differentials</u> **Certification, Mentor, Preceptor, Trainer Pay and AHCAS**		Mentor $1.00	Mentor/Preceptor/Trainer $1.00
Hourly Wages *Base rate without differential	**7/1/2005** $9.20 per DPH **7/1/2006** Low:$9.43 High:$10.31	**7/1/2007** Low:$9.73 High $10.77 **7/1/2008** Low:$10.03 High $11.07	**7/1/2009** Low:$10.03 High $11.07
Mileage Reimbursement		Max of 60 miles	Max of 60 miles
Health Care Benefits Trust * $0.01 must go toward Health and Safety Benefit	**FY 2006** $450 per month for eligible IP who worked 86 hours for 3 consecutive months. $25 for dental and $5 for vision for eligible IP **FY 2007** $500 per month for eligible IP who worked 86 hours for 3 consecutive months. $26.75 for dental and $5.25 for vision for eligible IP	**FY 2008** $500 per month for eligible IP who worked 86 hours for 3 consecutive months. $26.75 for dental and $5.25 for vision for eligible IP **FY 2009** $550 per month for eligible IP who worked 86 hours for 3 consecutive months. $29.43 for dental and $5.78 for vision for eligible IP	**FY 2010** $602.77 per month for eligible IP who worked 86 hours for 3 consecutive months **FY2011** $620.85 per month for eligible IP who worked 86 hours for 3 consecutive months
Paid Time Off	**FY 2007** 1 hour for every 50 hours. Cap 80 hours	**FY 2008** 1 hour for every 40 hours. Cap 80 hours	**FY 2009** 1 hour for every 40 hours. Cap 80 hours
Retirement Trust		Consultant to set up trust. Up to $15,000 for consultant	

FY 2006: July 1, 2005 to June 30th, 2006

FY 2007: July1, 2006 to June 30th, 2007

FY 2008: July 1, 2007 to June 30th, 2008

FY 2009: July 1, 2008 to June 30th, 2009

FY 2010: July 1, 2009 to June 30th, 2010

FY 2011: July 1, 2010 to June 30th, 2011

Topic	2011-2013 CBA	2013-2015 CBA	2015-2017 CBA
Training Trust **Training and Certification** **Cert and testing** **Add on for system improvements** **Total Training Trust contribution**	 **FY 2012** $.17 per DPH to trust	 **FY 2014** $.27 per DPH **FY 2015** $.25 per DPH **FY 2014** $.03 per DPH **FY 2015** $.03 per DPH **FY 2014** $ .08 per DPH **FY 2015** $.02 per DPH **FY 2014** $.38 per DPH **FY 2015** $.30 per DPH	 **FY 2016** $.03 per DPH **FY 2017** $.02 per DPH **FY 2016** $.37 per DPH **FY 2017** $.38 per DPH
Differentials **Certification, Mentor, Preceptor, Trainer Pay and AHCAS**	Mentor/Preceptor/Trainer $1.00	HCA Certification $.25 Advanced Training $.25 Mentor/Preceptor/Trainer $1.00	HCA Certification $.25 Advanced Training $.25 Mentor/Preceptor/Trainer $1.00
Hourly Wages *Base rate without differential	**7/1/2011** Low:$10.03 High $11.07	**7/1/2013** Low:$10.53 High $13.84 **7/1/2014** Low:$11.06 High $14.53	**7/1/2015** Low:$11.31 High $15.03 **1/1/2016** Low:$11.50 High $15.15 **7/1/2016** Low:$11.75 High $15.15 **1/1/2017** Low:$12.00 High $15.40
Mileage Reimbursement	Max of 60 miles	Max of 60 miles 11/1/14 Max of 100 miles	Max of 100 miles
Health Care Benefits Trust	**FY 2012** $2.21	**FY 2014** $2.60 **FY 2015** $2.80	**FY 2016** $3.10 **FY 2017** $3.46
Paid Time Off	**FY 2012** 1 hour for every for 40 hours. Cap 80 hours	**FY 2014** 1 hour for every 35 hours. Cap 85 hours	**FY 2016** 1 hour for every 35 hours. Cap 100 hours **FY 2017** 1 hour for every 30 hours. Cap 100 hours
Retirement Trust			**FY 2016** $0.23 per DPH Initial grant of $200,000

FY 2012: July 1, 2011 to June 30th, 2012 **FY 2013**: July1, 2012 to June 30th, 2013 **FY 2014:** July 1, 2013 to June 30th, 2014

FY 2015: July 1, 2014 to June 30th, 2015 **FY 2016**: July 1, 2015 to June 30th, 2016 **FY 2017:** July 1, 2016 to June 30th, 2017

Topic	2017-19 CBA	2019-21 CBA	2021-23 CBA
Training Trust **Training** **Testing and Certification** **Referral Registry** (connector Services) **AHCAS** **Expand access**	**FY 2018** $.40 per DPH **FY 2019** $.40 per DPH **FY 2018** $.02 per DPH **FY 2018** $.03 per DPH **FY 2019** $.02 per DPH	**FY 2020** $.43 per DPH **FY 2021** $.40 per DPH **FY 2020** $.03 per DPH **FY 2021** $.03 per DPH **FY 2020** $.02 per DPH **FY 2020** $.01 per DPH	**FY 2022** $.435 per DPH **FY 2023** $.435 per DPH **FY 2022** $.03 per DPH **FY 2023** $.03 per DPH
Differentials **Certification, Mentor, Preceptor, Trainer Pay and AHCAS**	HCA Certification $.25 Advanced Training $.25 Mentoring $1.00 AHCAS $.50	HCA Certification $.25 Advanced Training $.25 AHCAS/ABHCS $.75	HCA Certification $.25 Advanced Training $.25 AHCAS/ABHCAS $.75
Hourly Wages *Base rate without differential	**7/1/2017** Low:$13.50 High $15.70 **1/1/2018** Low:$13.75 High $16.00 **7/1/2018** Low:$14.00 High $16.50 **1/1/2019** Low:$15.00 High $17.65	**7/1/2019** Low:$15.50 High $17.90 **1/1/2020** Low:$16.00 High $18.25 **7/1/2020** Low:$16.40 High $18.50 **1/1/2021** Low:$16.72 High $19.07	**7/1/2021** Low:$16.85 High $19.21 **1/1/2022** Low:$16.98 High $19.35 **7/1/2022** Low:$17.76 High $20.15 **1/1/2023** Low:$18.14 High $20.55
Mileage Reimbursement	Max of 100 miles	Max of 100 miles	Max of 100 miles
Health Care Benefits Trust * $0.01 must go toward Health and Safety Benefit	**FY 2018** $3.48 **FY 2019** $3.55	**FY 2020** $3.54 **FY 2021** $3.61	**FY 2022** $3.79 **FY 2023** $3.98
Paid Time Off	**FY 2018** 1 hour for every 28 hours. Cap 110 hours **FY 2019** 1 hour for every 25 hours. Cap 120 hours	**FY 2020** 1 hour for every 25 hours. Cap 120 hours **FY 2021** 1 hour for every 25 hours. Cap 120 hours	**FY 2022** 1 hour for every 25 hours. Cap 130 hours **FY 2023** 1 hour for every 25 hours. Cap 130 hours FY2023 Independence Day and New Years day get time and half regular rate of pay
Retirement Trust	**FY 2018** $0.25 per DPH **FY 2019** $0.50 per DPH 7/1/2017 Initial grant of $75,000	**FY 2020** $0.65 per DPH (< 701 cuml hours) $0.50 per DPH (>701 cuml hrs)	**FY 2022** $0.80 per DPH (< 701 cuml hours) $0.50 per DPH (>701 cuml hrs)

		FY 2021 $0.80 per DPH (< 701 cuml hours) $0.50 per DPH (>701 cuml hours)	**FY 2023** $0.80 per DPH (< 701 cuml hours) $0.50 per DPH (>701 cuml hours)

FY 2018: July 1, 2017 to June 30th, 2018

FY 2019: July1, 2018 to June 30th, 2019

FY 2020: July 1, 2019 to June 30th, 2020

FY 2021: July 1, 2020 to June 30th, 2021

FY 2022: July 1, 2021 to June 30th, 2022

FY 2023: July 1, 2022 to June 30th, 2023

TAB 6

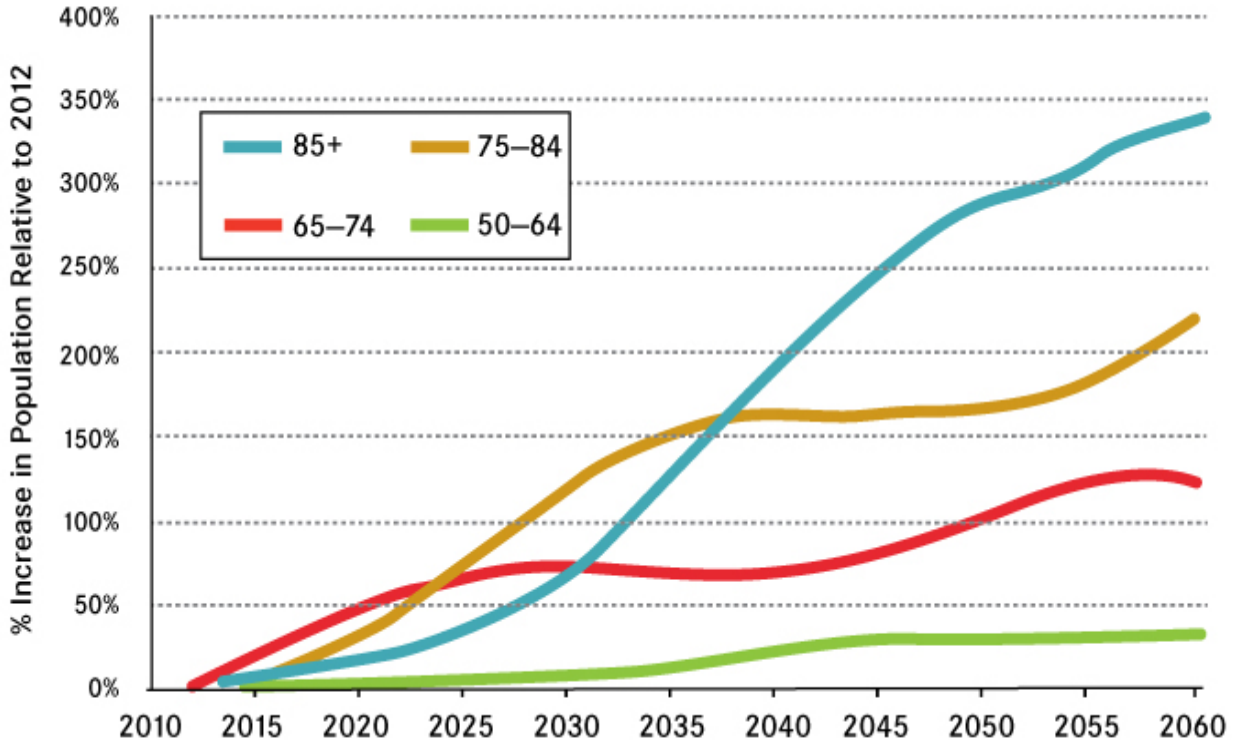
Emerging Population Growth

Jaime Bond, Interim Office Chief,

Program & Policy Development, Developmental Disabilities Administration

The Need for Long-Term Care

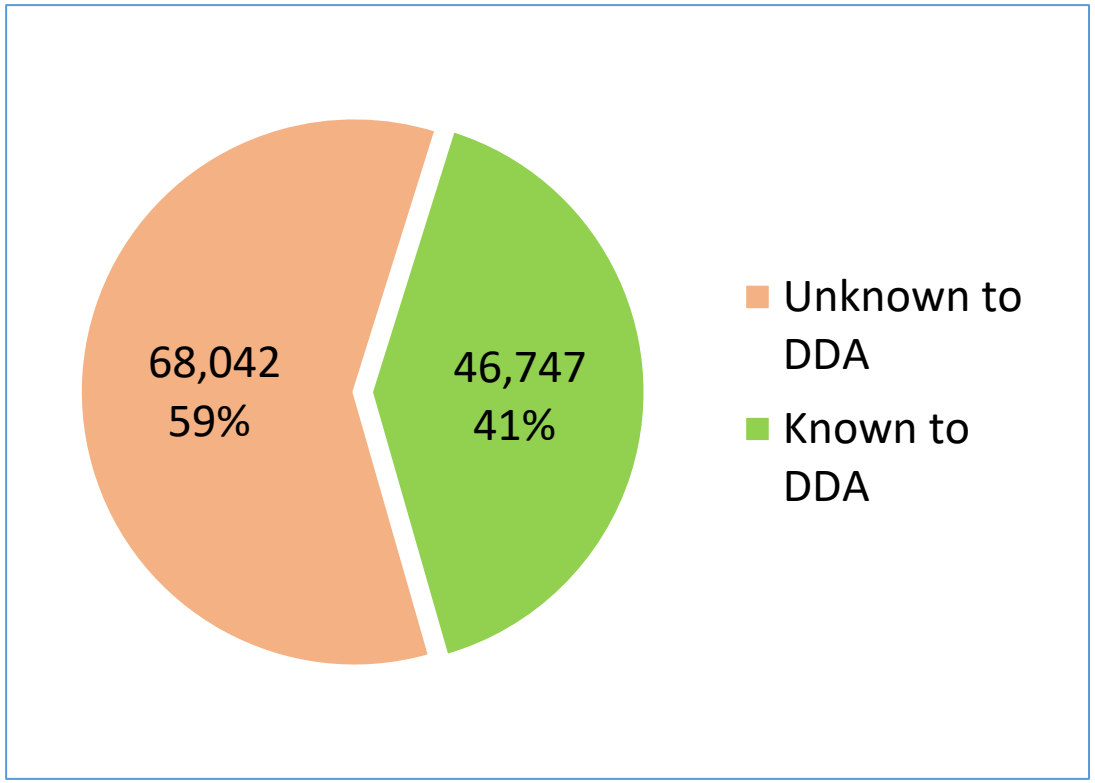
LTSS needs are growing as Washingtonians age and families are less able to meet their needs.



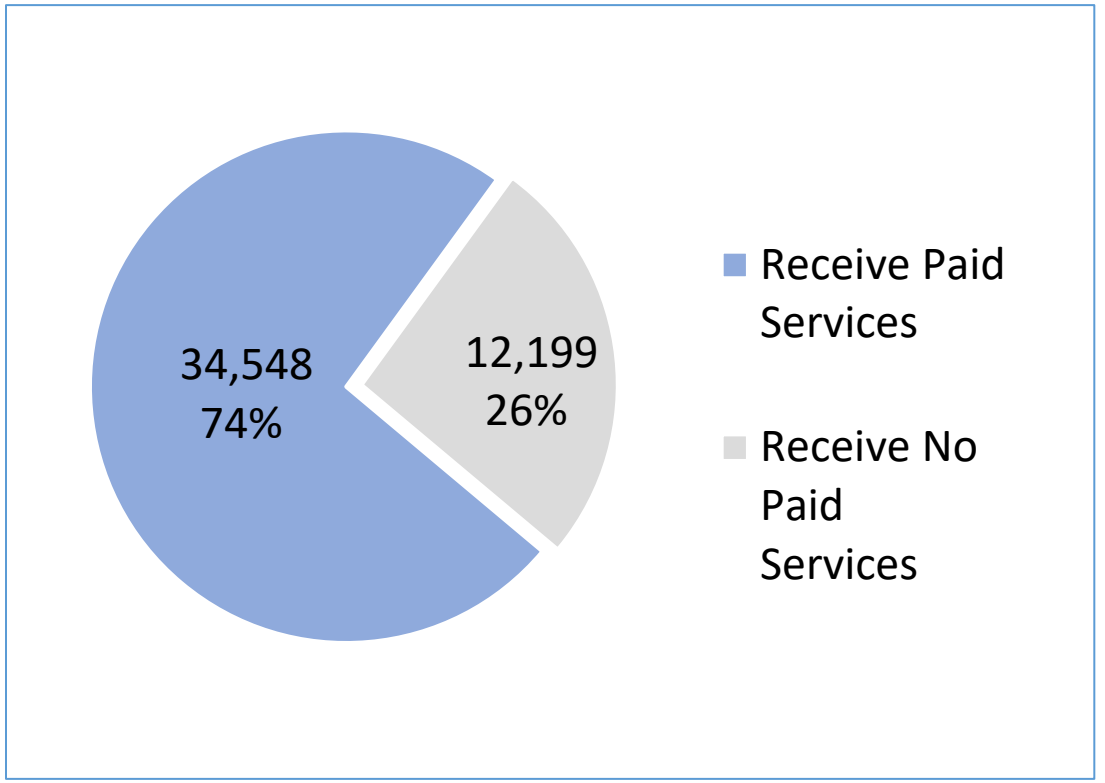
Source: Washington State Department of Social and Health Services, Research and Data Analysis Division

Washington Population

Individuals w/Developmental Disabilities

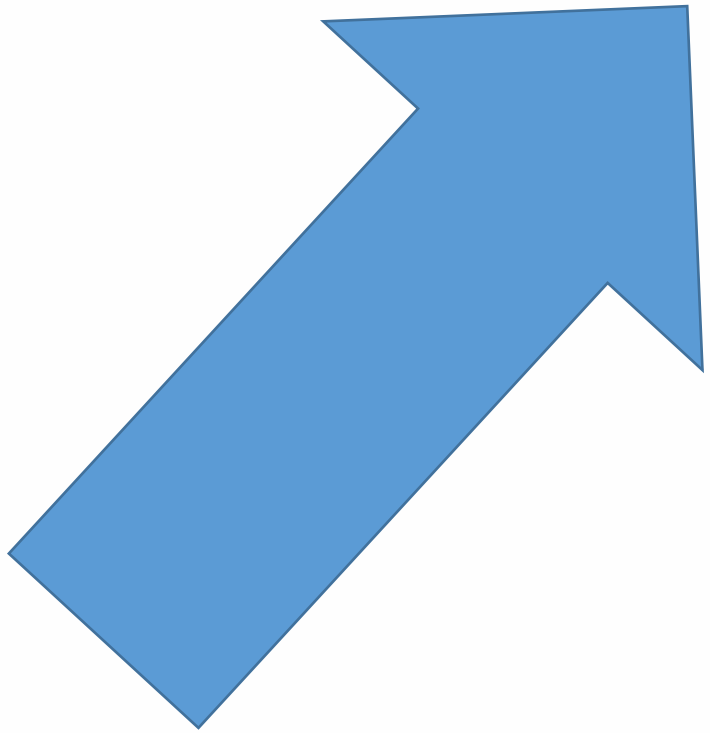


Those Enrolled w/DDA



Source:
U.S. Census
DDA Assessment Activity Report

Program Growth within DDA



Washington is experiencing **15%** annual growth in the number of people who qualify as developmentally disabled.^

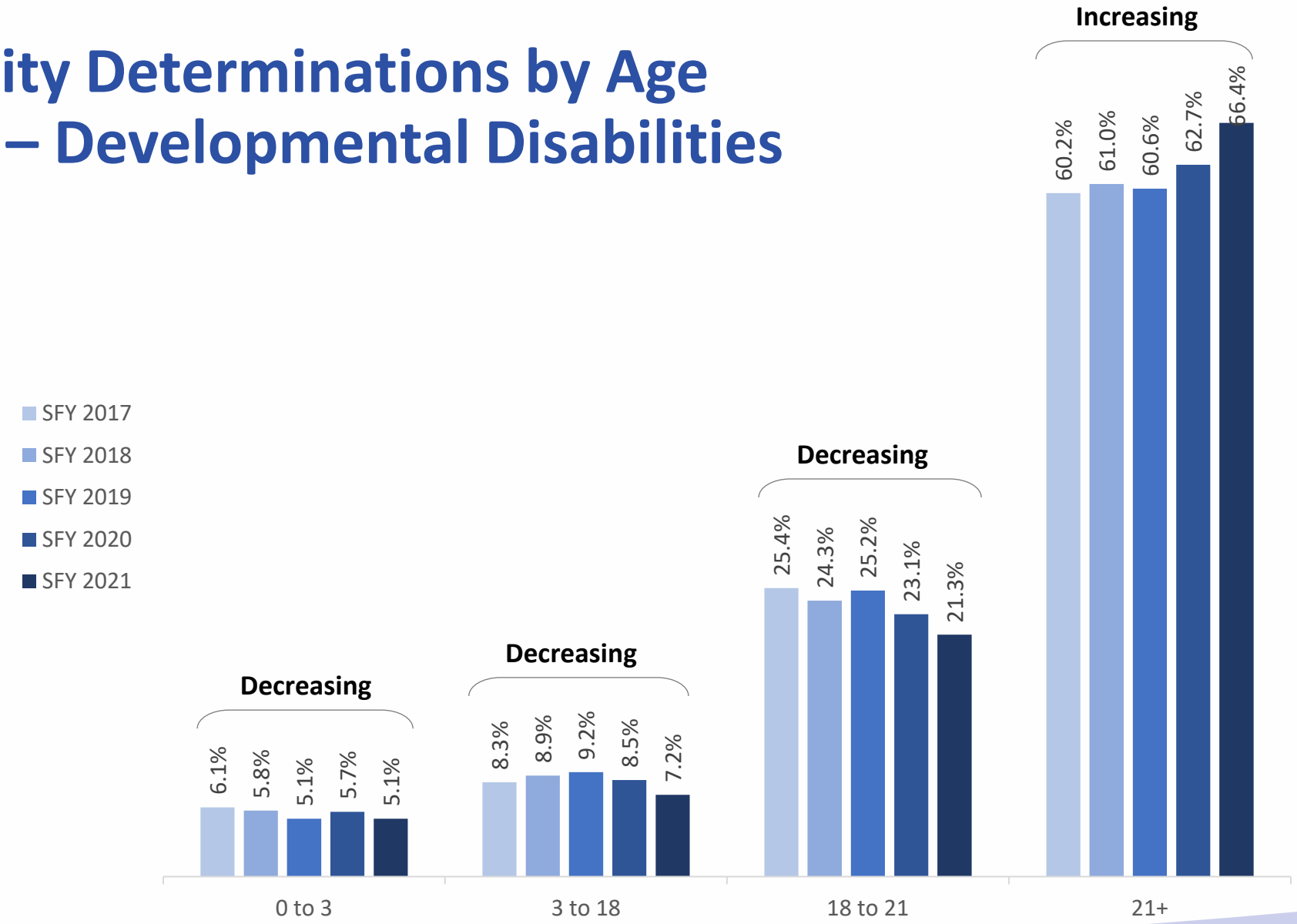
Numbers are expected to increase with elimination of IQ as an eligibility factor by July 1, 2025 under RCW 71A.16.020.*

Sources:

^ https://www.opb.org/ (2019)

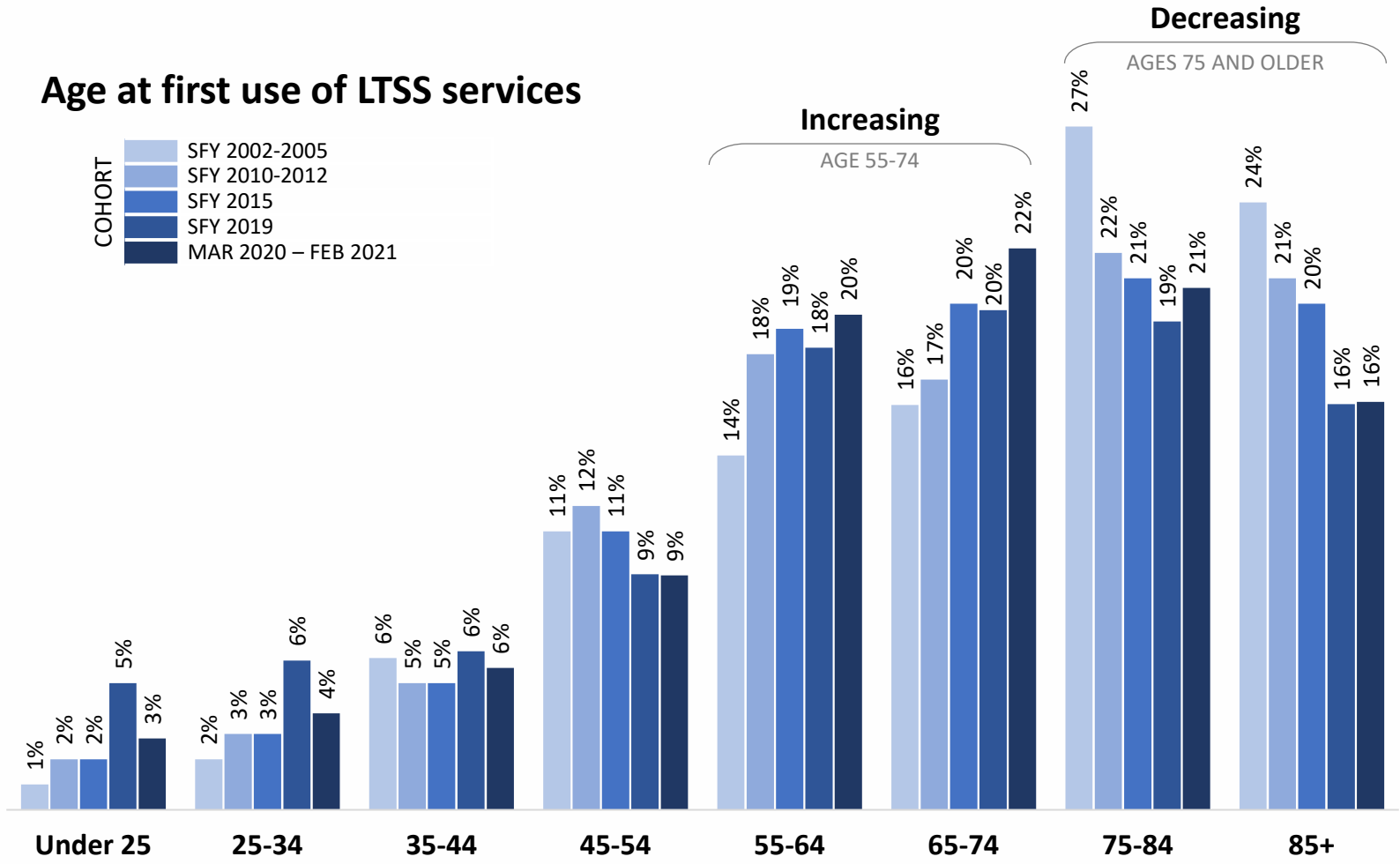
* S2SH2008, 2022 WA Legislatives Session

Eligibility Determinations by Age Group – Developmental Disabilities



Age at First Use of LTSS Services Has Been Decreasing over Time

Comparison of cohorts starting LTSS services in SFYs 2002-05, 2010-12, 2015, 2019, and in first year of COVID pandemic

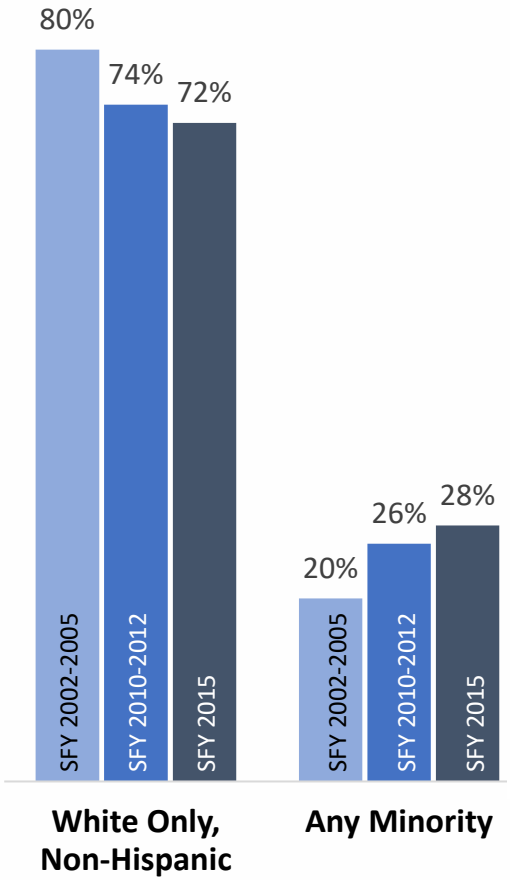


SOURCE: DSHS Research and Data Analysis Division, Integrated Client Databases.

Diversity of LTSS clients is increasing over time

Comparison of cohorts starting LTSS services in SFYs 2002-05, 2010-12, and 2015

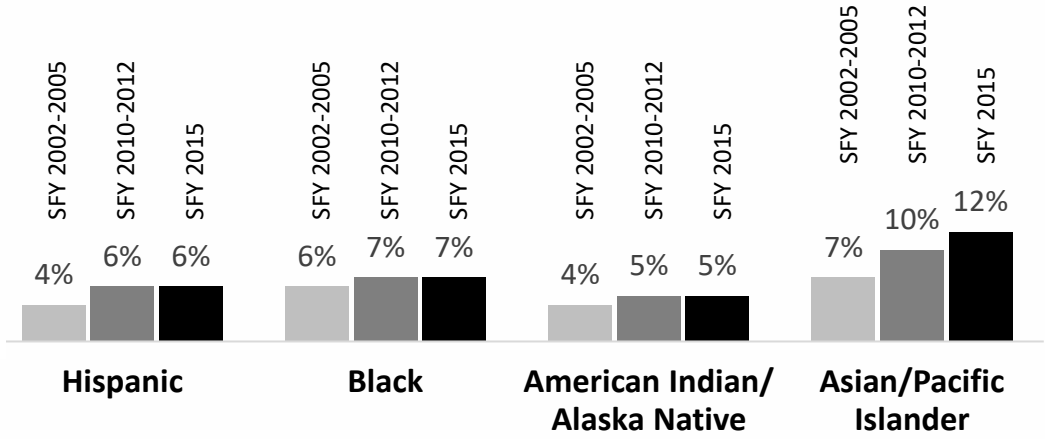
Race/Ethnicity



MINORITY DETAIL

NOTE: Minority categories are not mutually exclusive.

- *The largest increase has been among the Asian/Pacific Islander group*
- *Black and American Indian/Alaskan Native service use has remained more stable*



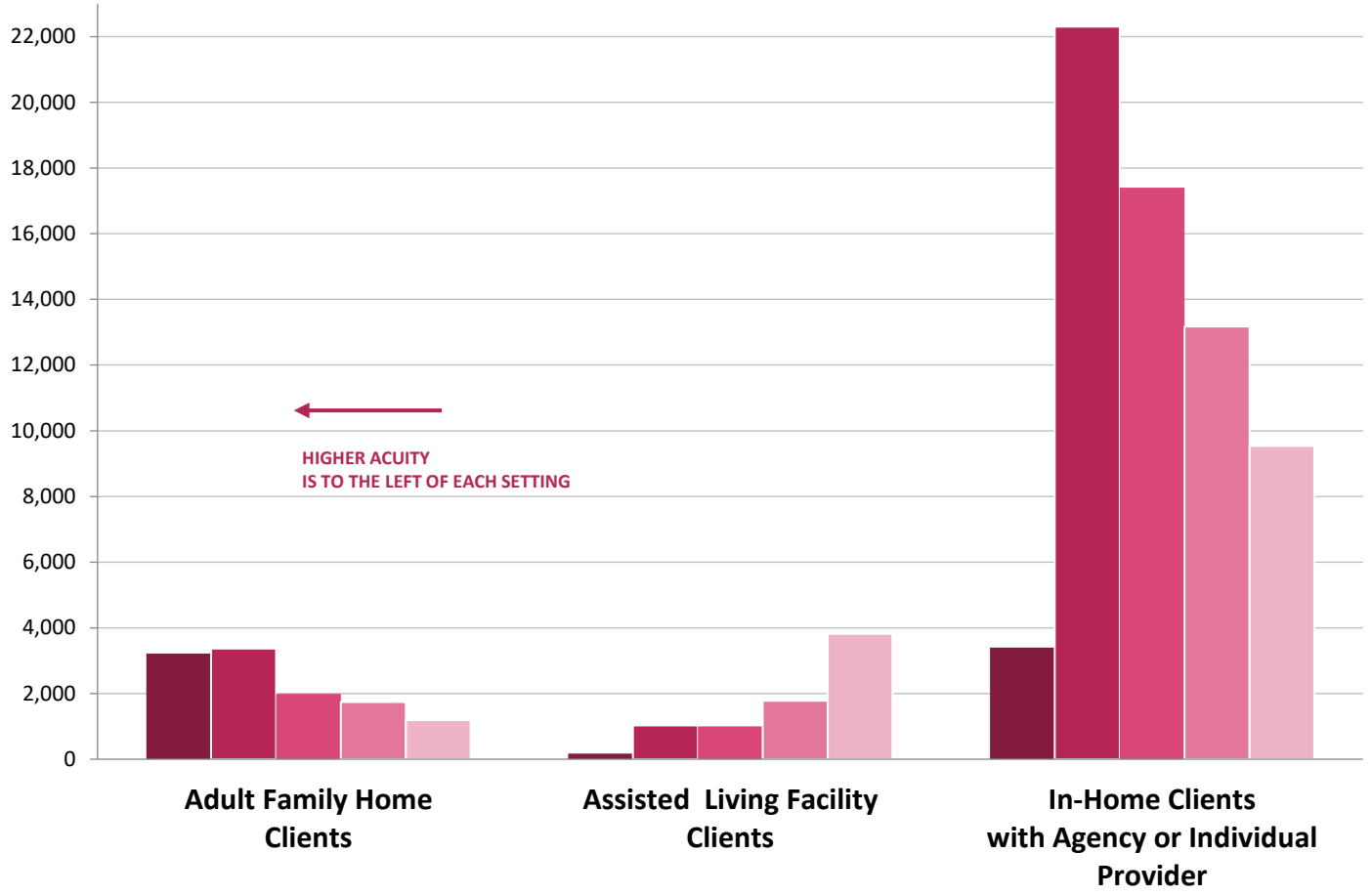
SOURCE: DSHS Research and Data Analysis Division, Integrated Client Databases.

High Acuity Clients are Served in All Community Settings

Number of Clients by CARE Assessment Acuity Group

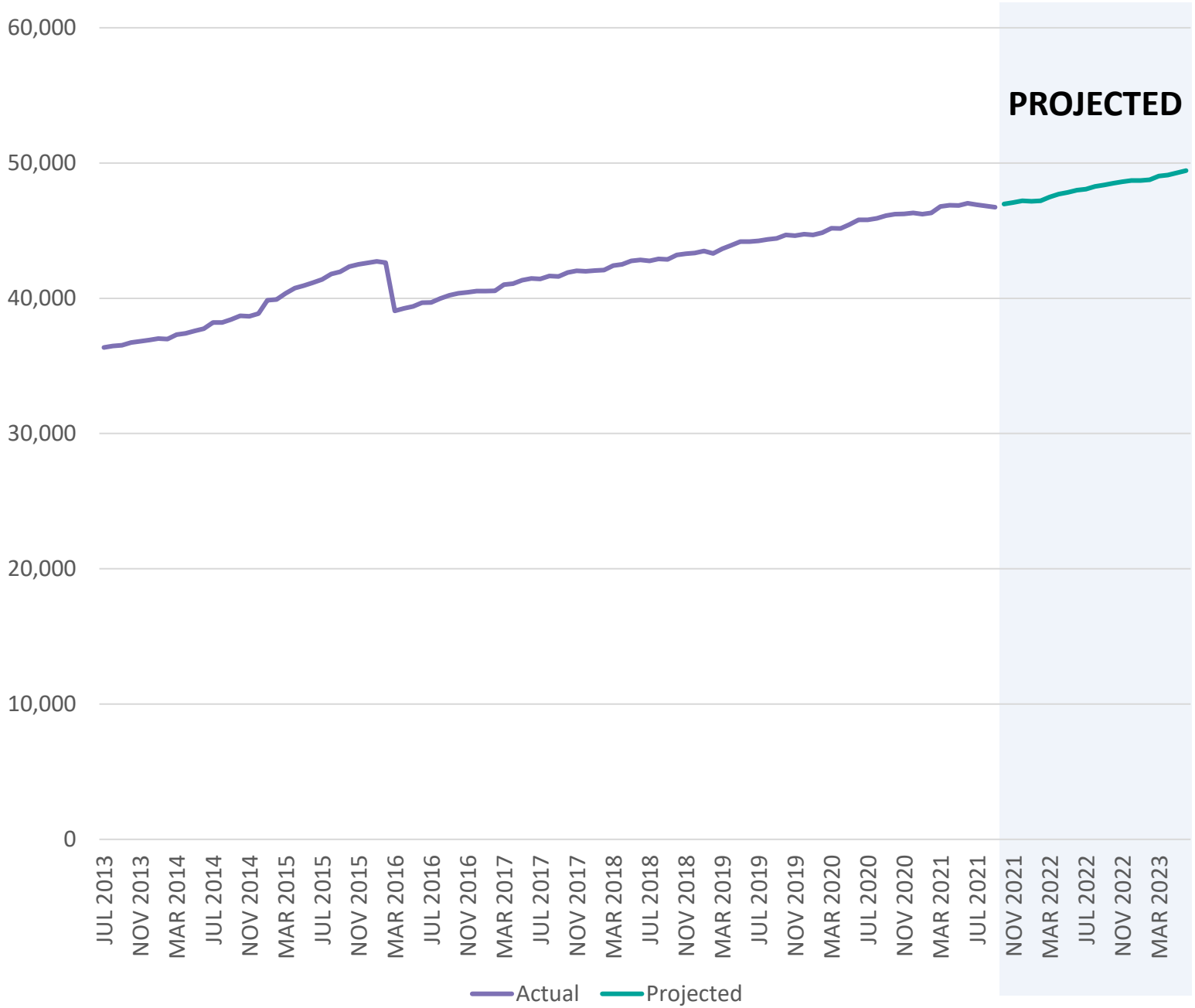
HIGHER ACUITY

GROUP 1. Extremely limited ADLs, often immobile
GROUP 2. Very limited ADLs, plus cognitive problems
GROUP 3. Moderately limited ADL, plus clinically complex
GROUP 4. Moderately limited ADL and/or behavior challenge
GROUP 5. Moderately limited ADL



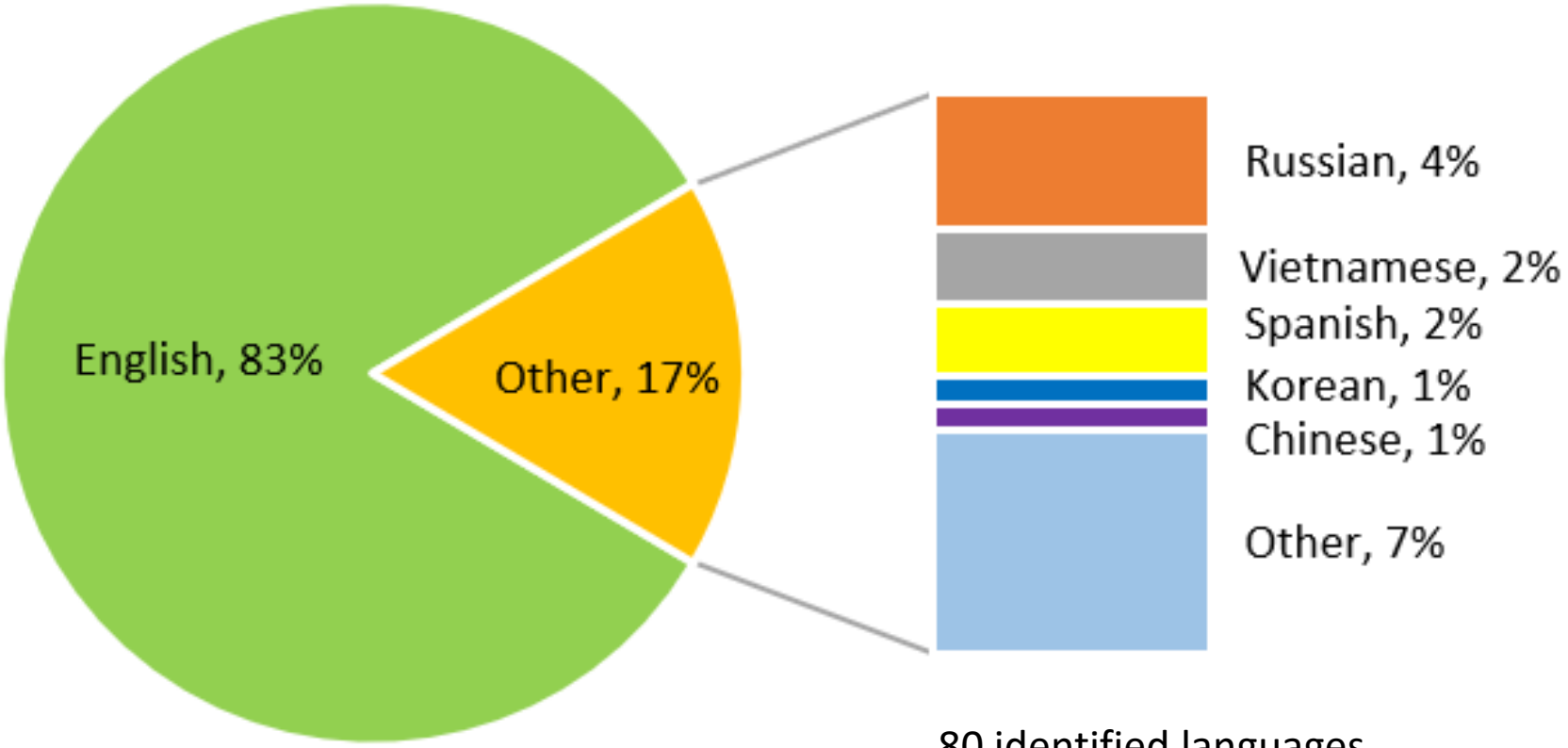
SOURCE: CARE snapshot data as of March 29, 2022, combined clients of ALTSA and DDA.

Growth in Individual Providers over time



Data from the Caseload Forecast Council

Reported Limited English Proficiency Across IP Population



80 identified languages

How are diagnostic trends changing?

DDA Eligibility Determinations by Condition

Condition	5-year average
Developmental Delay	79.8%
Intellectual Disability	6.7%
Autism	6.3%
Two or more disabilities	2.5%
Another neurological or other condition	2.3%
Cerebral palsy	1.9%
Epilepsy	0.5%
Medically Intensive Children's Program*	0.1%

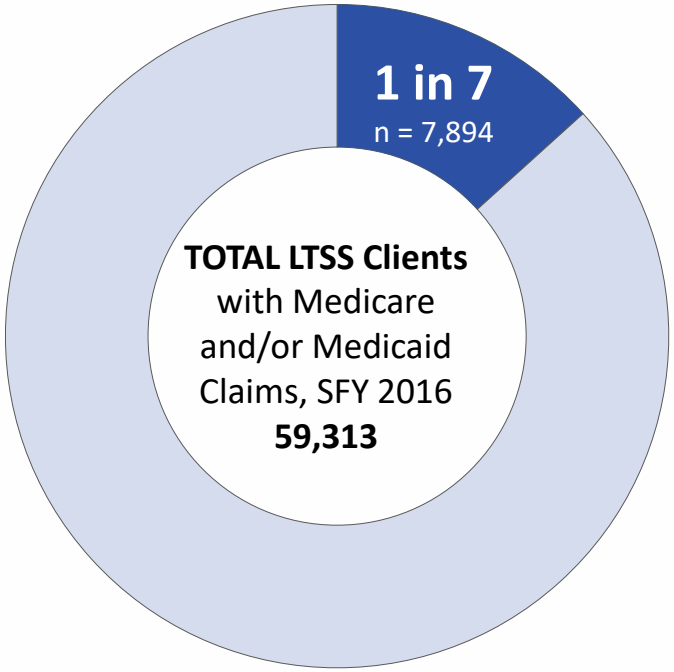
*As of August 13, 2018, clinical eligibility for the Medically Intensive Children's Program is no longer a separate eligibility category.

Prevalence of Common Conditions among ALTSA Clients

Condition	Percentage of Clients with Diagnosis
Hypertension	63%
Depression	45%
Anxiety disorder	29%
Diabetes – non-insulin dependent	21%
Chronic Obstructive Pulmonary Disease (COPD)	17%
Diabetes – insulin dependent	15%
Stroke	13%
Dementia other than Alzheimer's disease	13%
Congestive heart failure	12%
Post-traumatic stress disorder	10%
Bipolar disorder	8%
Cancer	6%
Schizophrenia	6%
Traumatic brain injury	4%
Alzheimer's disease	4%

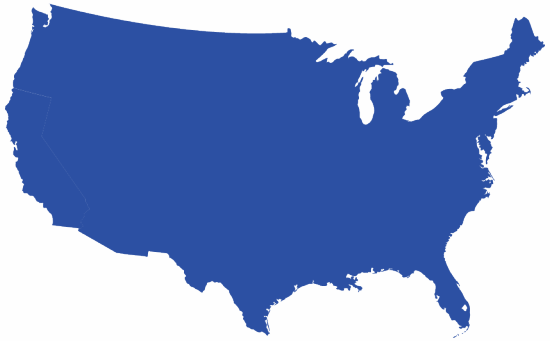
Mental illness prevalence is increasing nationally and locally

Overall prevalence of **Psychotic Disorders in Washington State** among LTSS clients with Medicare and/or Medicaid claims



Prevalence of Serious Mental Illness Nationally

1 in **25 adults** with **Serious Mental Illness** Nationally



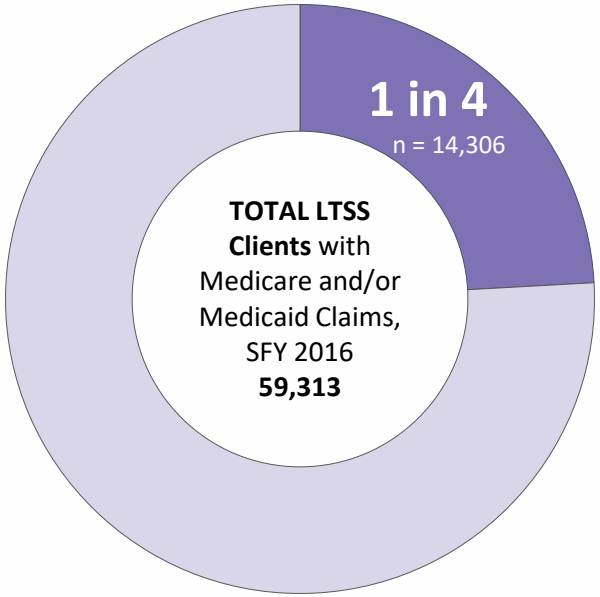
This represents **4.5% of the U.S. Population**

- The prevalence of SMI is higher among women (5.7%) than men (3.3%)
- Young adults aged 18-25 years had the highest prevalence of SMI (7.5%) compared to adults aged 26-49 years (5.6%) and aged 50 and older (2.7%).
- The prevalence of SMI was highest among the adults reporting two or more races (8.1%), followed by White adults (5.2%). The prevalence of SMI was lowest among Asian adults (2.4%).

SOURCE: State date: DSHS Research and Data Analysis Division, Integrated Medicare and Medicaid claims, SFY 2016. (Note: Psychotic Disorders are a subset of SMI. Total SMI numbers in WA are likely higher than 1 in 7).
National data: https://www.nimh.nih.gov/health/statistics/mental-illness.shtml (Note: National data is total adult population and is not specific to the Medicaid population).

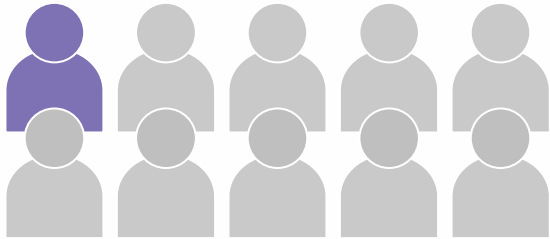
Dementia prevalence is increasing nationally and locally

Overall prevalence of **Delirium and Dementia Disorders in Washington state** among LTSS clients with Medicare and/or Medicaid claims



Prevalence of Alzheimer's Dementia Nationally

1 in **9 adults** over age 65 has Alzheimer's dementia



This represents **11.1% of the population over age 65**

- Almost two-thirds of Americans with Alzheimer's are women.
- By 2050, the number of existing cases is expected to more than double, from 6.5 million to 13.8 million

SOURCE: Washington data: DSHS Research and Data Analysis Division, Integrated Medicare and Medicaid claims, SFY 2016. National data: Alzheimer's Association (www.alz.org)

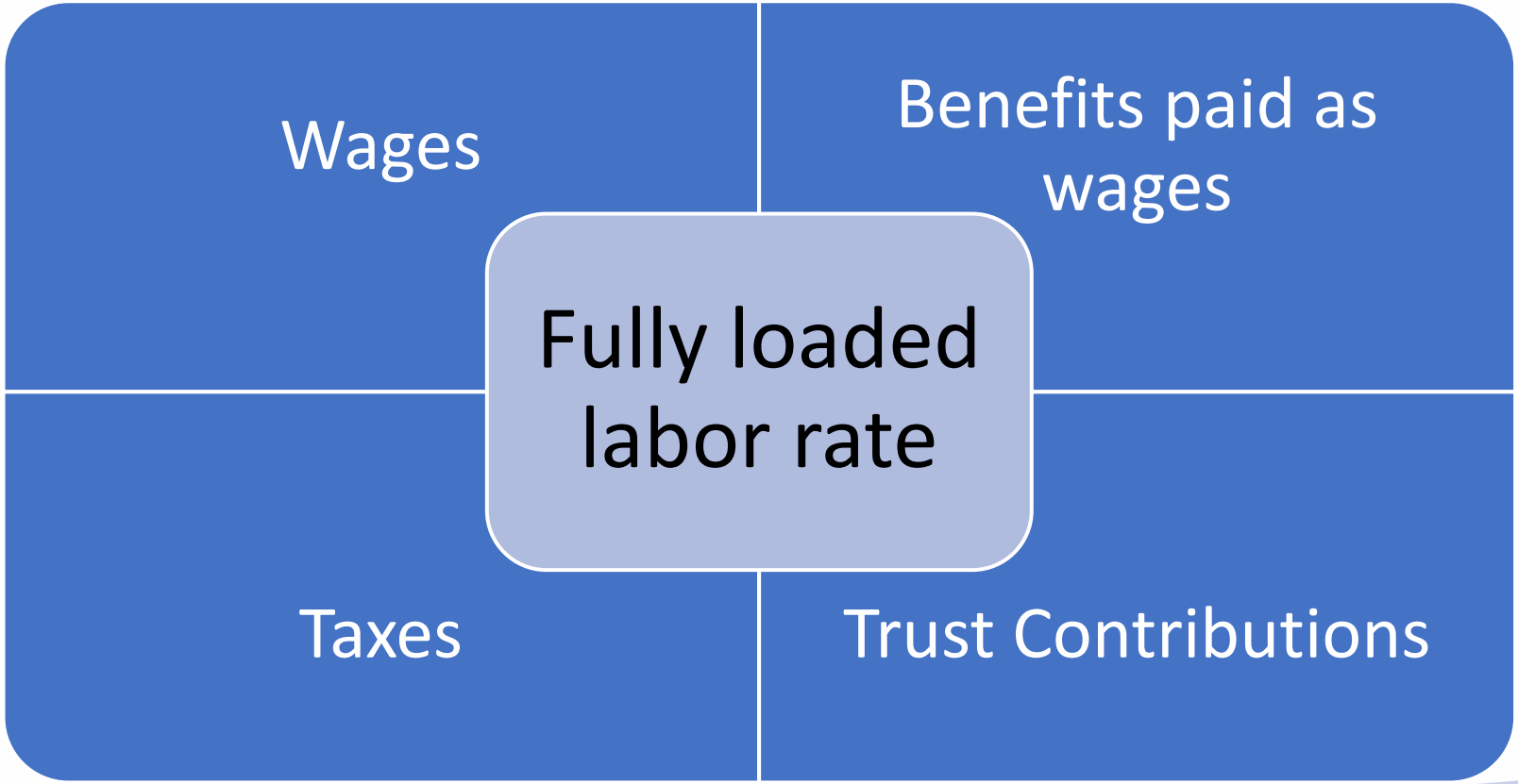
TAB 7

Review of Overall CDE Rate Structure

Dennis Elonka, CDE Project Manager

CDE - Labor Rate Components

Comprised of Four Categories



Wages

- Base hourly wage
  - Averaged based on projected CCH volumes
- Differentials
  - Home Care Aid
  - AHCAS (current and legacy)
  - AP Experience inclusion
- Mileage
  - Not taxable, but based on services performed

Amount included for each line item is based on anticipated utilization and averaged across population

Benefits Paid as Wages

Holiday Pay

- New Years and 4th of July

Paid Time Off

- Developed based on accrual rates identified in CBA
- Assumed claim rate of 100%, actual claim rates have been less historically

Paid Training Time

- Based on historic average of training hours

Admin Time

- 15 minutes per timesheet

Overtime

- Assume at 4% utilization, historic utilization is less than 4%

Payroll Taxes

Includes all legally required taxes paid by employer

- Federal Taxes
  - FICA/FUTA/SUTA – assumed at 7% due to tax exemptions and exclusions available to in home care workforce and historic amounts
- State Taxes
  - Paid Family Medical Leave – percentage based
  - Workers Compensation (LNI) – based on number of hours worked by employee, calculated based on historic hours worked average

Trust Contributions

Rates contributed by employer to Taft-Hartely Trust* per department paid hour as defined in the collective bargaining agreement.

- Health Trust
- Training Trust (Northwest Training Partnership)
- Retirement Trust (Secure Retirement Plan)
- Care referral service (Carina Care)*

*Carina is a service provider to clients and IPs, but is not a Taft-Harley Trust

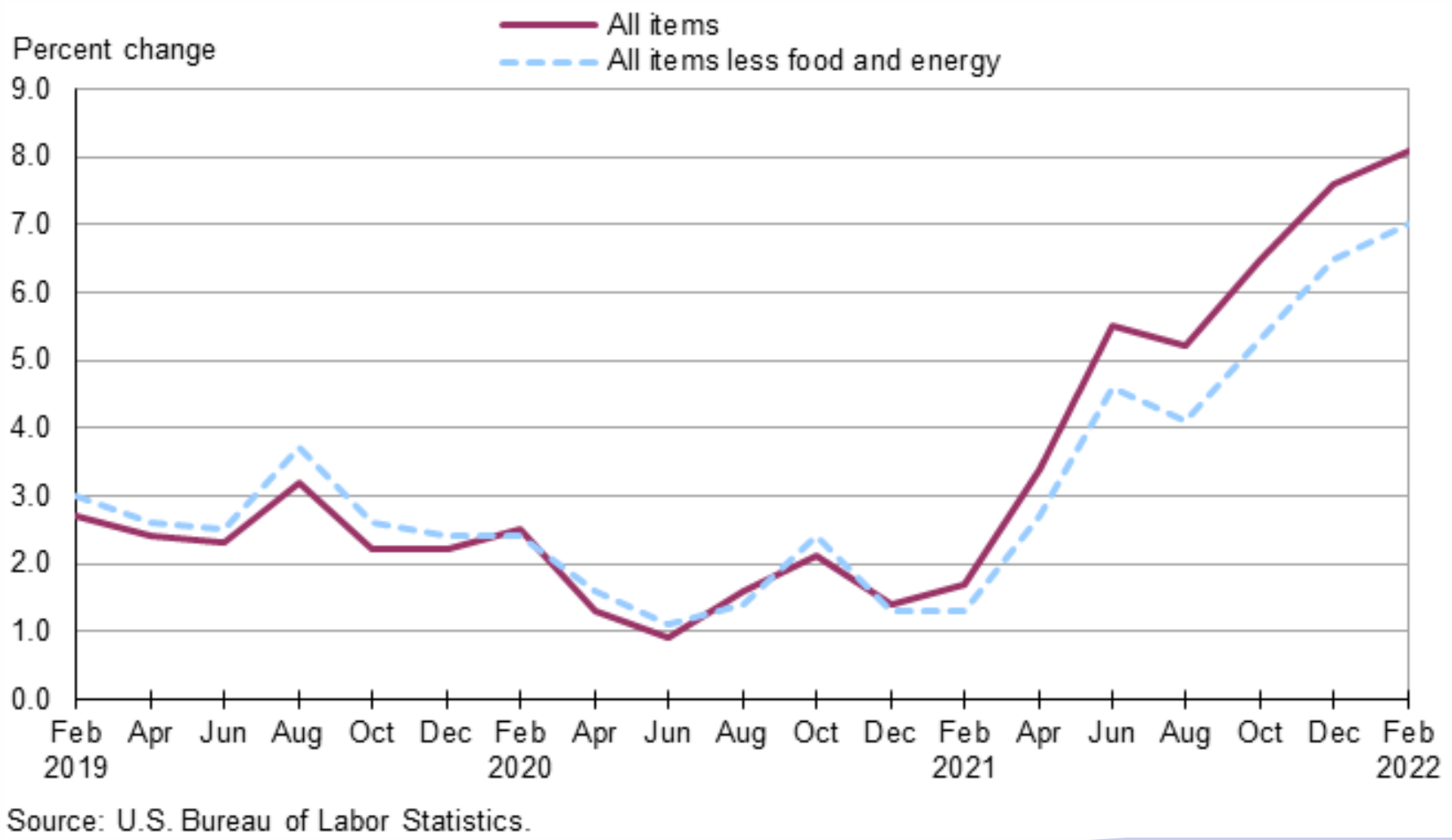
CDE - Administrative Rate Components

Comprised of Three Components charged on a per hour basis

- The base administrative rate – used for CDE Service delivery
- Bad Debt – compensates for uncollectable client payments and other losses out of the control of CDWA
- Business & Occupation Tax reimbursement – paid to CDWA and then returned to the state via Department of Revenue tax

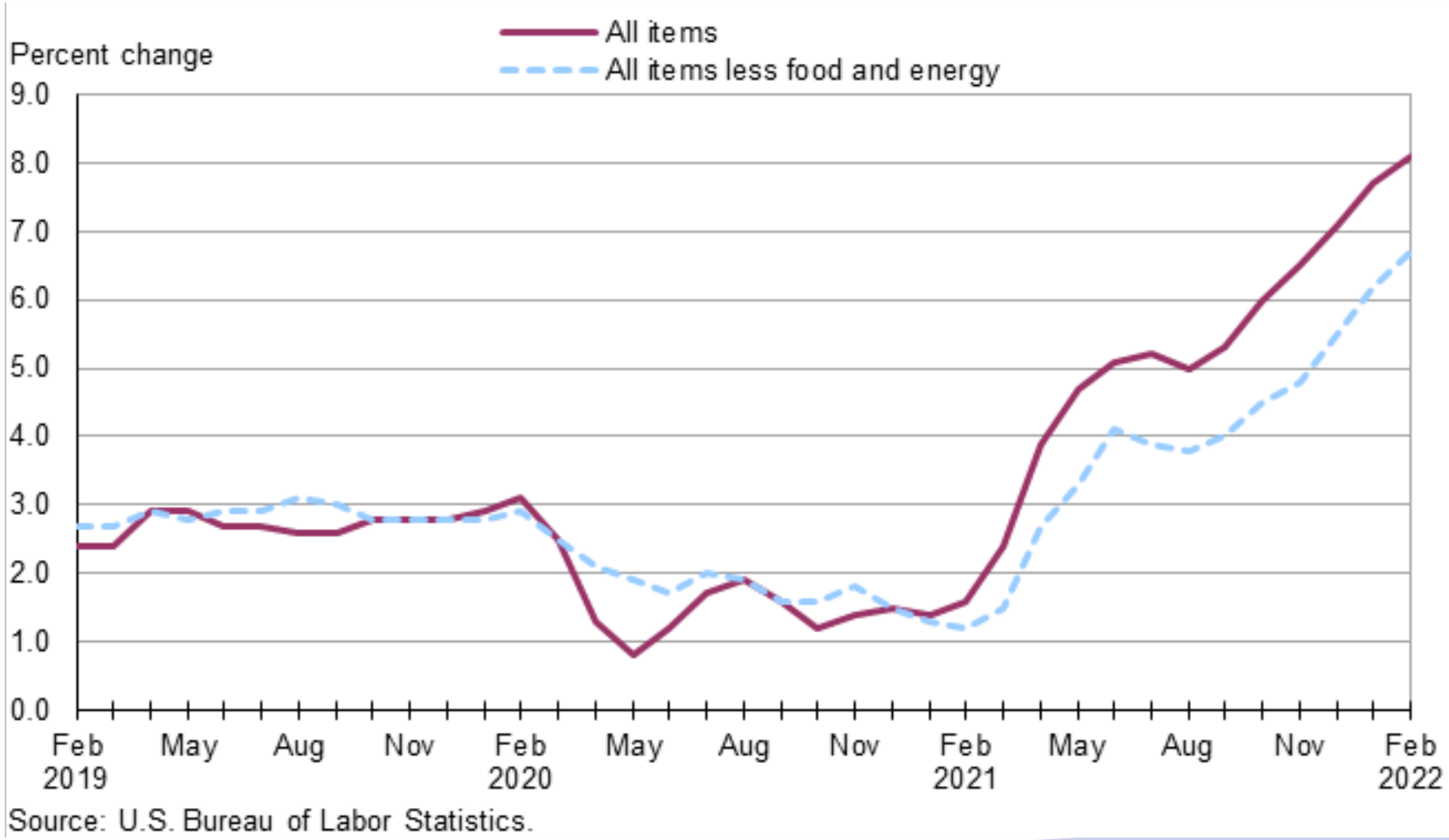
CDWA is also being compensated for startup costs through FY23. Those charge will cease after approx. 39M hours of service provision.

Consumer Price Index Seattle, Tacoma, Bellevue



Source: U.S. Bureau of Labor Statistics.

Consumer Price Index West Region 2019-2022



Consumer Price Index West Region 2019-2022

Table A. West region CPI-U 1-month and 12-month percent changes, all items index, not seasonally adjusted

Month	2018		2019		2020		2021		2022	
	1-month	12-month	1-month	12-month	1-month	12-month	1-month	12-month	1-month	12-month
January	0.5	3.1	0.2	2.7	0.3	2.9	0.2	1.4	0.9	7.7
February	0.5	3.1	0.2	2.4	0.4	3.1	0.5	1.6	0.8	8.1
March	0.4	3.2	0.4	2.4	-0.2	2.5	0.7	2.4		
April	0.4	3.2	0.8	2.9	-0.4	1.3	1.0	3.9		
May	0.5	3.5	0.5	2.9	0.1	0.8	0.8	4.7		
June	0.2	3.6	0.0	2.7	0.4	1.2	0.9	5.1		
July	0.1	3.6	0.0	2.7	0.5	1.7	0.6	5.2		
August	0.2	3.6	0.1	2.6	0.3	1.9	0.2	5.0		
September	0.3	3.4	0.3	2.6	0.0	1.6	0.2	5.3		
October	0.4	3.5	0.5	2.8	0.2	1.2	0.8	6.0		
November	-0.2	3.3	-0.1	2.8	0.0	1.4	0.5	6.5		
December	-0.2	3.1	-0.2	2.8	-0.1	1.5	0.4	7.1		

TAB 8

Understanding Home Care Agency Parity

RCW 79.39A.310

Susan Engels, Office Chief State Unit on Aging, ATLSA

Home Care Agency Vendor Rate History

- The Parity statute has been used to calculate the rate since July 1, 2006 when the rate was $15.89 per hour.
- Prior to that, the legislature would determine a lump hourly increase amount for wages, taxes and admin.
- The statute requires a formula to consider changes to wages, benefits and taxes/premiums aligned with the IP collective bargaining agreement.

How it works

- RCW 74.39A.310 as amended in 2020:

  (1) The department shall convert and distribute any change in the total amount of wages and benefits negotiated and funded in the contract for individual providers of home care services pursuant to RCW 74.39A.270 and 74.39A.300 **or labor rates** established under RCW 74.39A.530 into a per-quarter-hour amount. This must be accomplished in each odd-numbered year within sixty days after adjournment sine die of the legislative session.

RCW 74.39A.310 as amended in 2020:

(2) The per-quarter-hour amount shall be added to or subtracted from the statewide home care agency vendor rate and any increase shall be **used exclusively for improving the wages and benefits** of home care agency workers who provide direct care, and for paying **any resulting change in required employer contributions or premiums**.

RCW 74.39A.310 as amended in 2020:

(3) When determining the per-quarter-hour amount, the department must include:

- (a) The changes to wages, benefits, and compensation **negotiated and funded** each biennium…
- (b) The **change** in the average costs experienced by medicaid contracted home care agencies, as determined by the department in its sole discretion, of employer contributions or premiums required by law…
- (c) An adjustment, as determined by the department in its sole discretion, for cost of compensation for **work time that may not be billed as service hours**, such as travel time, that must be paid to direct service workers under wage and hour laws and any related employer tax contributions or premiums.

RCW 74.39A.310 as amended in 2020:

(4) The portion of the vendor rate calculated for health care benefits, including but not limited to medical, dental, and vision benefits, may only be used for health benefits for home care agency workers who provide direct care.

(5) When establishing the per-quarter-hour amount, the department must prevent duplicate accounting for the same cost.

Wage Related

- Pre-tax wages include:
  - Base Wages and pay differentials
  - Paid Time Off
  - Holidays
  - Timesheet Administration adjustment
  - Overtime
  - Home Care Aide Seniority Reciprocation

Taxes/Premiums

- Taxes or Premiums experienced by home care agencies on wages:
  - FICA (Social Security and Medicare taxes)
  - FUTA (federal unemployment tax)
  - PFMLA (Paid Family Medical Leave Act)
- L&I & SUTA
  - Weighted average of the premiums for the participating Medicaid contracted agencies participating in L&I and ESD SUTA

Non-Billables (currently 3.74%)

- Because agencies are employers, they have certain labor law obligations that did not apply to Individual Providers.
- Based on time study surveys, a percentage was added on to cover when the agency must pay their employee but could not bill the time.
- Some examples are personnel time, windshield time, and “no shows”. OT and Timesheet Admin in the past.

Other Compensation

- Health Benefits/Health & Safety
- Training Contribution (including AHCAS/ABHCAS)
- Referral Registry Contribution
- Retirement
- Mileage Reimbursement

Admin

- Not part of the Parity Statute, but sometimes allocated by the legislature.
  - Electronic Visit Verification funding
  - Vendor Rate Administration

- Challenging to maintain business functions with relatively flat admin rate.

COVID Rate Enhancement

- COVID Rate Enhancements followed the Parity rules as they came through MOU to collective bargaining
  - Wages
  - PPE/fit-testing
  - Admin
  - Various amounts

Future Plans

- As the timelines and process of the Rate Setting Board have become clearer since the 2020 amendment, some requirements may not be deliverable in the timeframe required.

TAB 9

Good afternoon. My name is Brenda Morgan, I am an individual provider from Pasco.

I have three children. Two of my kids are under the age of 18 and reside with my husband and I at home. Since my husband's layoff in October of 2020, I've been the sole income provider in our household. Both of my children and additionally my spouse are currently on state insurance (Apple Health.) My insurance doesn't allow me to add my children or spouse to my plan.

Once my husband starts working, we will be earning too much as a household to qualify for state insurance anymore. When that happens, it's going to have a terrible effect on my kids. We can't afford to pay for their insurance out-of-pocket, there's no guarantee that my husband's future job will provide family coverage.

My boys are very active. They love to play sports at school and play outside all day during the summer. This past August 2021 brought our household a ray of sunshine and some big smiles on my kids' faces as they started school in person – not on Zoom! With the return of in-person school came football sign-ups, as well as all the other sports.

My 7th grader was super excited! It was his year to shine, he was finally playing tackle football! Unfortunately, that ended far too quick. Due to a fall, he ended up with a broken wrist which resulted in a cast, clear up his arm right below his elbow.

I am beyond grateful that he had insurance and that I didn't have to pay out-of-pocket for all those medical bills, especially since I had to go out again and buy more long sleeve shirts, just to trim off one arm so his clothes could fit over his cast. I definitely hadn't anticipated having to buy back to school clothes twice, and one set can't even be used again.

It's just an example of the unexpected expenses that can come with having active kids. If my kids were to become uninsured, I would have to tell them no football, no basketball – no sports! Nothing where they can get hurt. I wouldn't be able to afford the bills, or any of the other unexpected expenses.

Just the thought of having to tell my kids that makes me feel terrible. I feel that all kids should be able to play sports if they wanted to. I want to support my kids in this, but I also have to be real about what the potential consequences could be if they're uninsured.

If we could add our kids to our insurance, I wouldn't have to worry about this. My kids could play, and be kids, and if they got hurt, I could take them to the E.R. or to a walk-in clinic without the stress of ending up in debt. And healthy, active kids are happier kids who do better in school. It's better for everyone.

We need to be able to add our children to our insurance. I feel it's the correct thing to do.

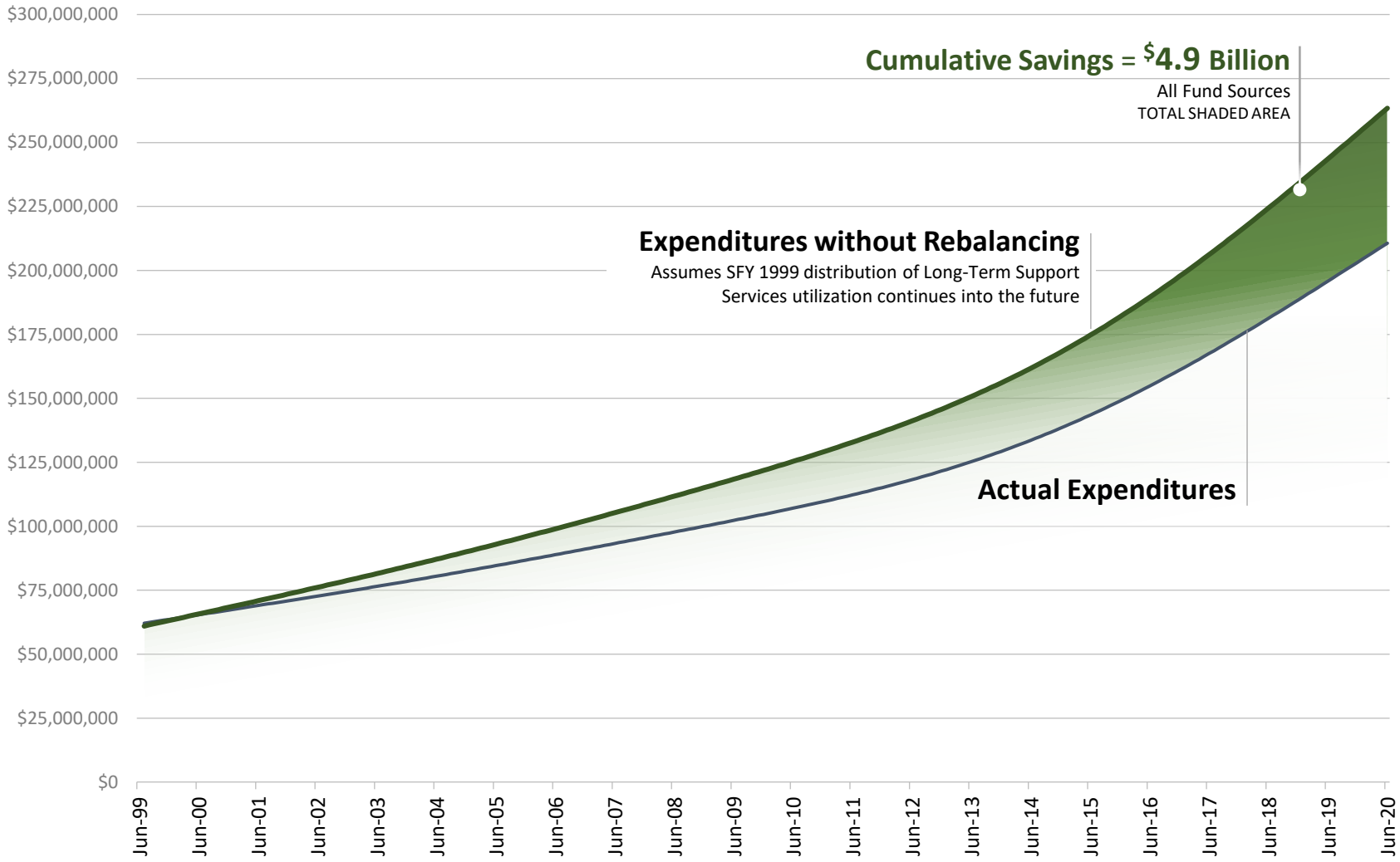
TAB 10

This is a list of states with at least some unionized home care workers. This may not be a complete list, and these are not all unionized IP systems – some are private agencies – and the scope of unionization likely varies widely.

1. Massachusetts
2. Oregon
3. Illinois
4. Connecticut
5. California
6. Minnesota
7. Washington
8. New York
9. Colorado
10. Montana
11. Nevada
12. Vermont
13. Virginia
14. Indiana
15. Missouri

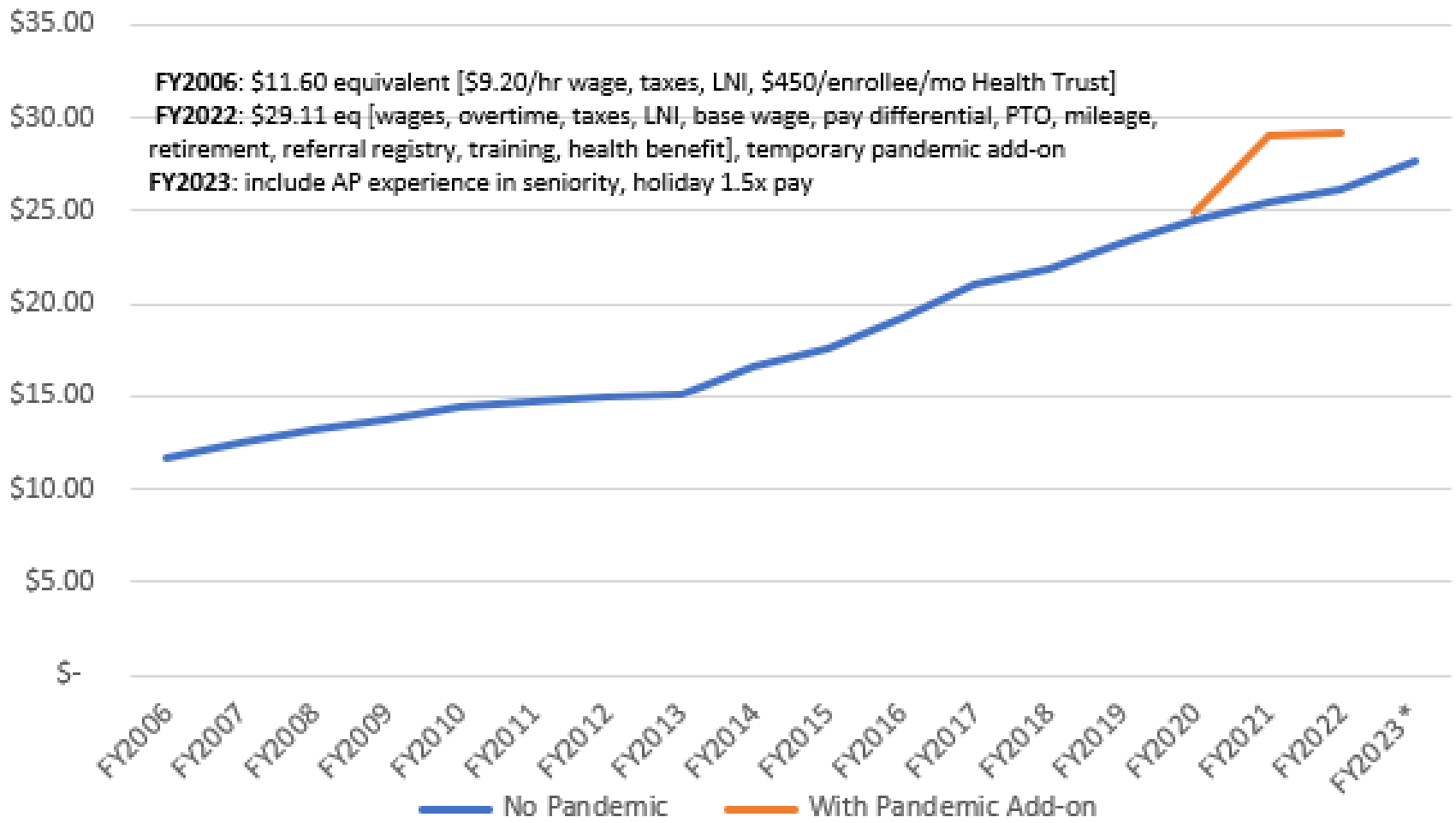
ALTSA LTSS Rebalancing Cost Avoidance

Monthly Service Expenditures • All Fund Sources • SFY 2000-2020



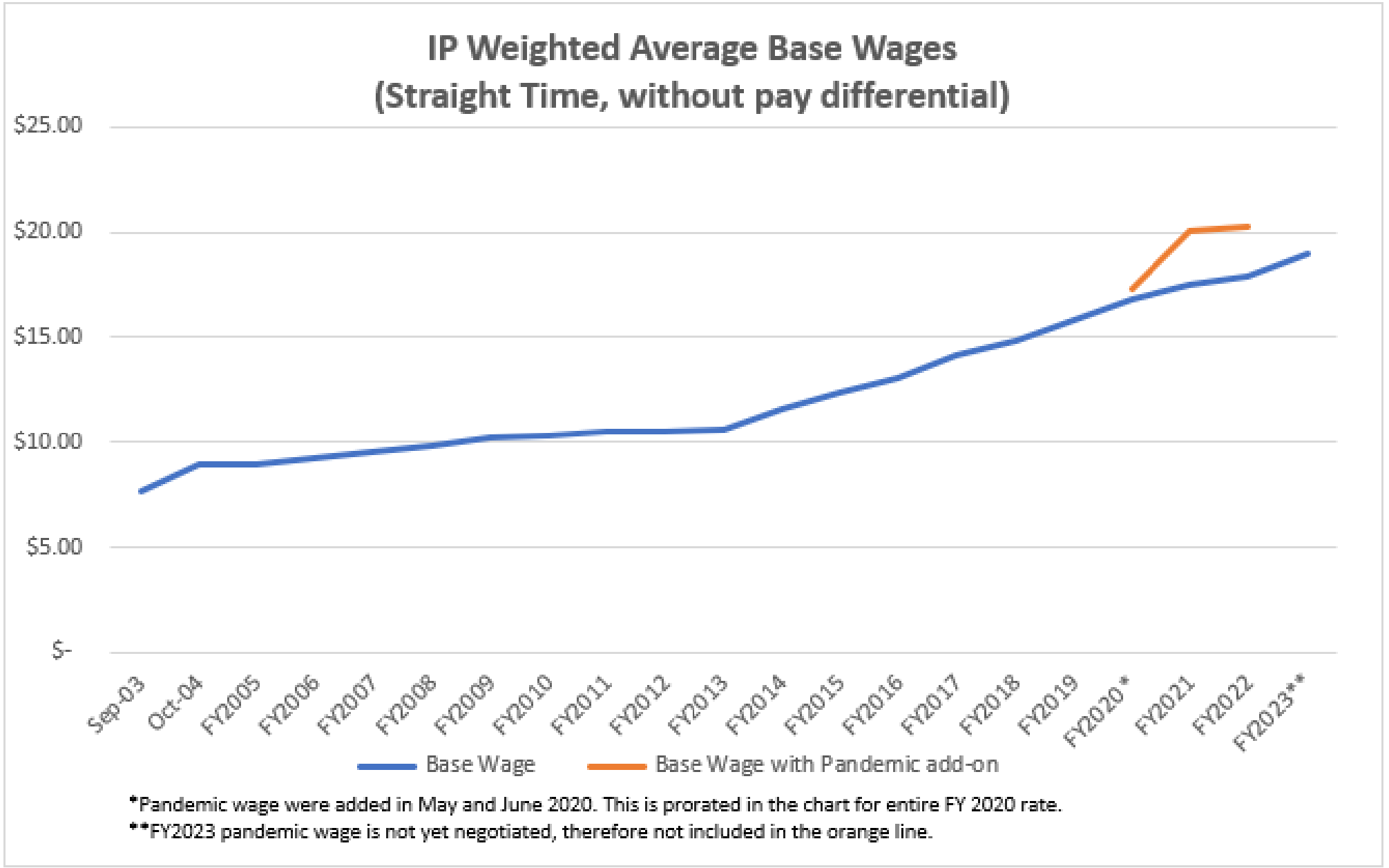
DATA SOURCE: RDA EMIS. For In-home Services, RDA EMIS caseload data are adjusted to Caseload Forecast Council caseload data from July 2003 to January 2005.

Individual Provider Fully Loaded Rate
(Wage, Tax, Benefits**) per Personal Care/Respite Hour



* The FY2023 add-on has not yet been negotiated and therefore not included in this chart

** Not include cost of Basic Health Plan grandfathered IPs. BHP ended in 2014.


IP Weighted Average Base Wages
(Straight Time, without pay differential)
$25.00
$20.00
$15.00
$10.00
$5.00
$-
Sep-03
Oct-04
FY2005
FY2006
FY2007
FY2008
FY2009
FY2010
FY2011
FY2012
FY2013
FY2014
FY2015
FY2016
FY2017
FY2018
FY2019
FY2020*
FY2021
FY2022
FY2023**
Base Wage
Base Wage with Pandemic add-on
*Pandemic wage were added in May and June 2020. This is prorated in the chart for entire FY 2020 rate.
**FY2023 pandemic wage is not yet negotiated, therefore not included in the orange line.

Aging & Long-Term Support Administration

From Winter 2022 Caseload Forecast

Note: per capita costs are greatly affected by the average acuity of clients served

FY22	Caseload	Monthly Per Capita Cost	State %
Adult Day Health	674	$ 672	40.2%
Adult Family Homes	8,532	$ 4,177	36.1%
Adult Residential Care	3,453	$ 2,858	37.6%
Assisted Living	3,602	$ 1,287	36.0%
In-Home Services - Agency Provider & Individual Provider*	**48,280**	**$ 3,003**	**33.4%**
Managed Care	1,219	$ 2,869	38.4%
Nursing Homes	8,772	$ 7,257	44.9%
Private Duty Nursing	135	$ 17,821	38.4%
** Also includes less than 0.05% of personal care expenditures for 'other" svcs such as equipment, training and home delivered meals for in-home clients.*			

FY23	Caseload	Monthly Per Capita Cost	State %
Adult Day Health	696	$ 676	50.0%
Adult Family Homes	9,021	$ 4,366	47.4%
Adult Residential Care	3,699	$ 3,345	47.9%
Assisted Living	3,556	$ 1,279	46.8%
In-Home Services - Agency Provider & Individual Provider*	**50,026**	**$ 3,178**	**43.9%**
Managed Care	1,375	$ 2,869	49.3%
Nursing Homes	8,980	$ 7,578	49.0%
Private Duty Nursing	136	$ 17,647	50.1%
** Also includes less than 0.04% expenditure for 'other" svcs such as equipment, training and home delivered meals for in-home clients.*			

Developmental Disabilities Administration

From Winter 2022 Caseload Forecast

Note: per capita costs are greatly affected by the average acuity of clients served

FY22	Caseload	Monthly Per Capita Cost	State %
Residential Habilitation Centers *(not forecasted)*	543	$ 36,976	50.0%
Residential Services (supported living)	4,644	$ 13,497	39.7%
Adult Family Homes	1,460	$ 3,649	33.5%
Adult Residential Care	92	$ 1,986	33.8%
In-Home Services - Agency Provider & Individual Provider*	**15,263**	**$ 3,253**	**43.9%**
Respite Services	3,164	$ 952	41.2%
** Also includes less than 0.04% expenditure for 'other" svcs such as equipment, training and home delivered meals for in-home clients.*			

FY23	Caseload	Monthly Per Capita Cost	State %
Residential Habilitation Centers *(not forecasted)*	543	$ 36,976	50.0%
Residential Services (supported living)	4,722	$ 13,984	50.8%
Adult Family Homes	1,499	$ 3,720	44.2%
Adult Residential Care	92	$ 2,093	44.5%
In-Home Services - Agency Provider & Individual Provider*	**15,930**	**$ 3,478**	**43.9%**
Respite Services	3,364	$ 1,009	49.8%
** Also includes less than 0.04% expenditure for 'other" svcs such as equipment, training and home delivered meals for in-home clients.*			

TAB 11

Transforming Lives

Consumer Directed Employer Rate Setting Board Meeting

April 18, 2022

Washington State Department of Social & Health Services
Transforming lives

Purpose/Meeting Overview

RSB Chair

CDE Rate Setting Board

Mission Statement

The Board's mission is to determine a rational and sound rate guided by the joint goals of:

- continuing a successful self-directed care in-home program and
- promoting the growth of the individual provider (IP) workforce,
- while sustaining the Consumer Directed Employer(CDE).

Function of the Rate Setting Board

Bring diverse perspectives and expertise to:

- Review proposals for rate setting
- Discuss and evaluate rational and sound rates
- Recommend rates to the legislature

Topics

Labor Rate: portion pay to IP includes: wages, benefits & associated taxes

Administrative Rate: compensate CDE for administrative duties

Robert's Rules Overview –TO VOTE

6-steps to make a motion for a vote:

1. Member makes a motion
2. Another member seconds the motion
3. The Chair re-states the motion, formally present to Board for discussion.
4. The members discuss the motion
5. The Chair puts the question to a vote—4 voting members.
6. The Chair announces the results of the vote.

Approval of 3.21.2022 Meeting Minutes

RSB Chair

Draft By-laws Review, Discussion, and Vote

RSB Chair

Draft Charter Review, Discussion, and Vote

RSB Chair

Break

10 min

Draft Policy and Procedures Review, Discussion, and Vote

RSB Chair

Office of Financial Management/Department of Social and Health Services

Opening Remarks

Service Employees International Union 775 Opening Remarks

Lunch

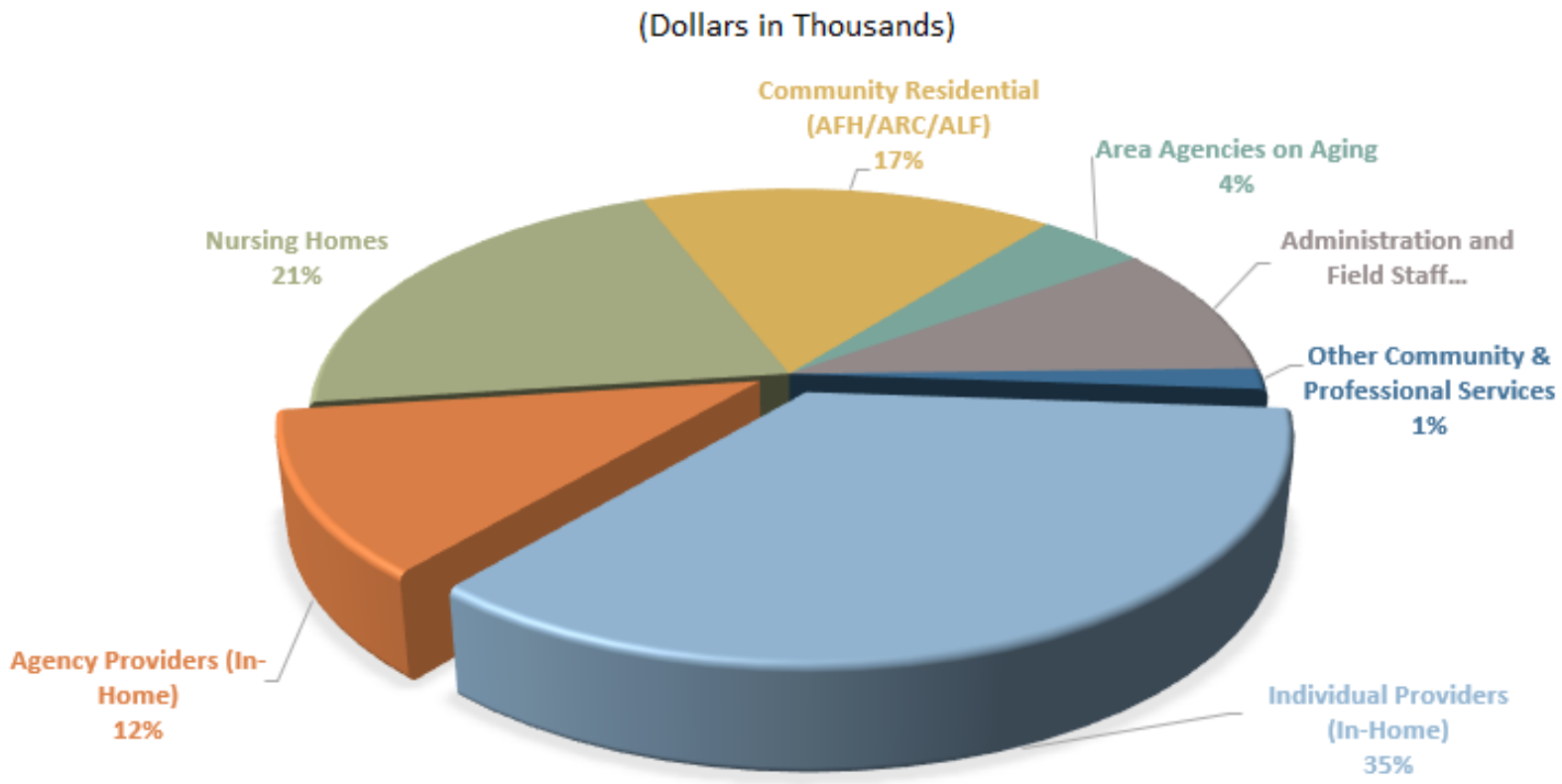
Back at 12:45

Consumer Direct Care Network Washington Opening Remarks

IP Historical Funding

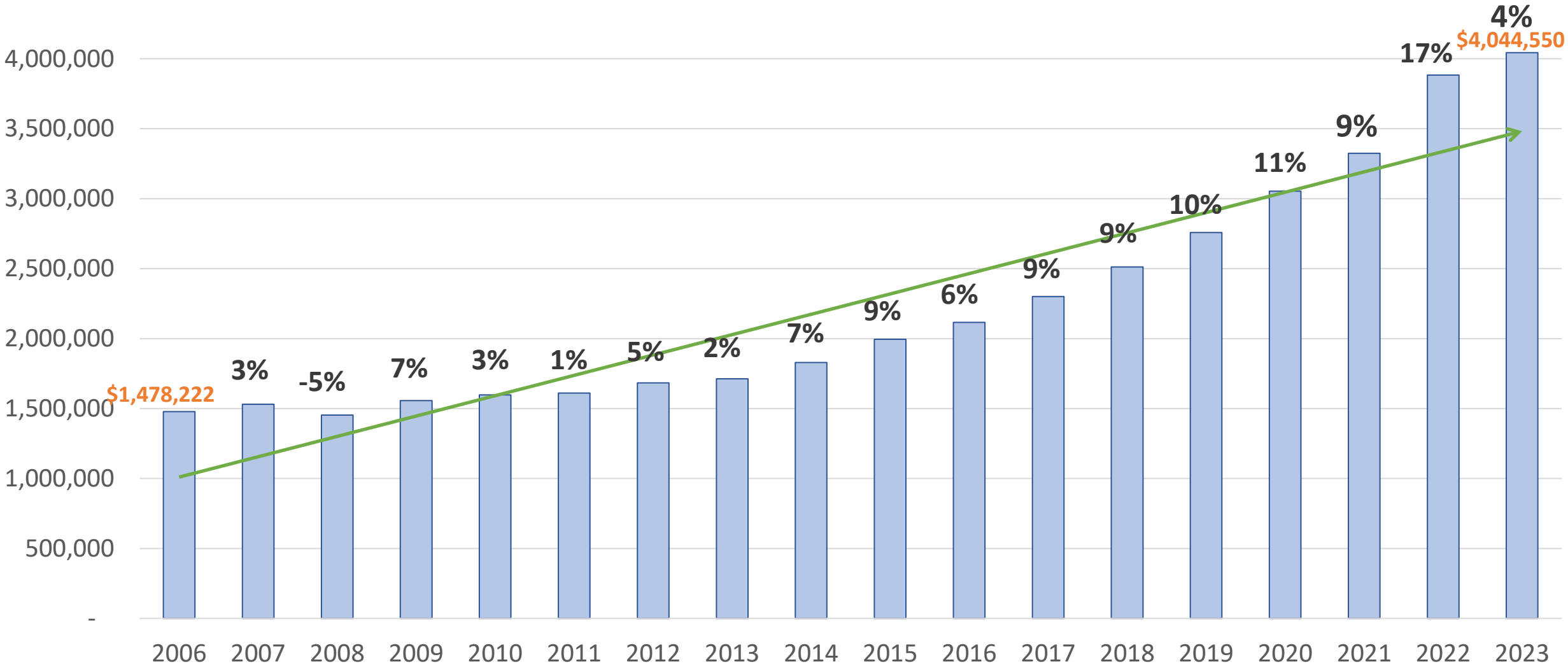
Eric Mandt, Asst. Director, Management Services Division, ALTSA

ALTSA 21-23 Biennium budget summary



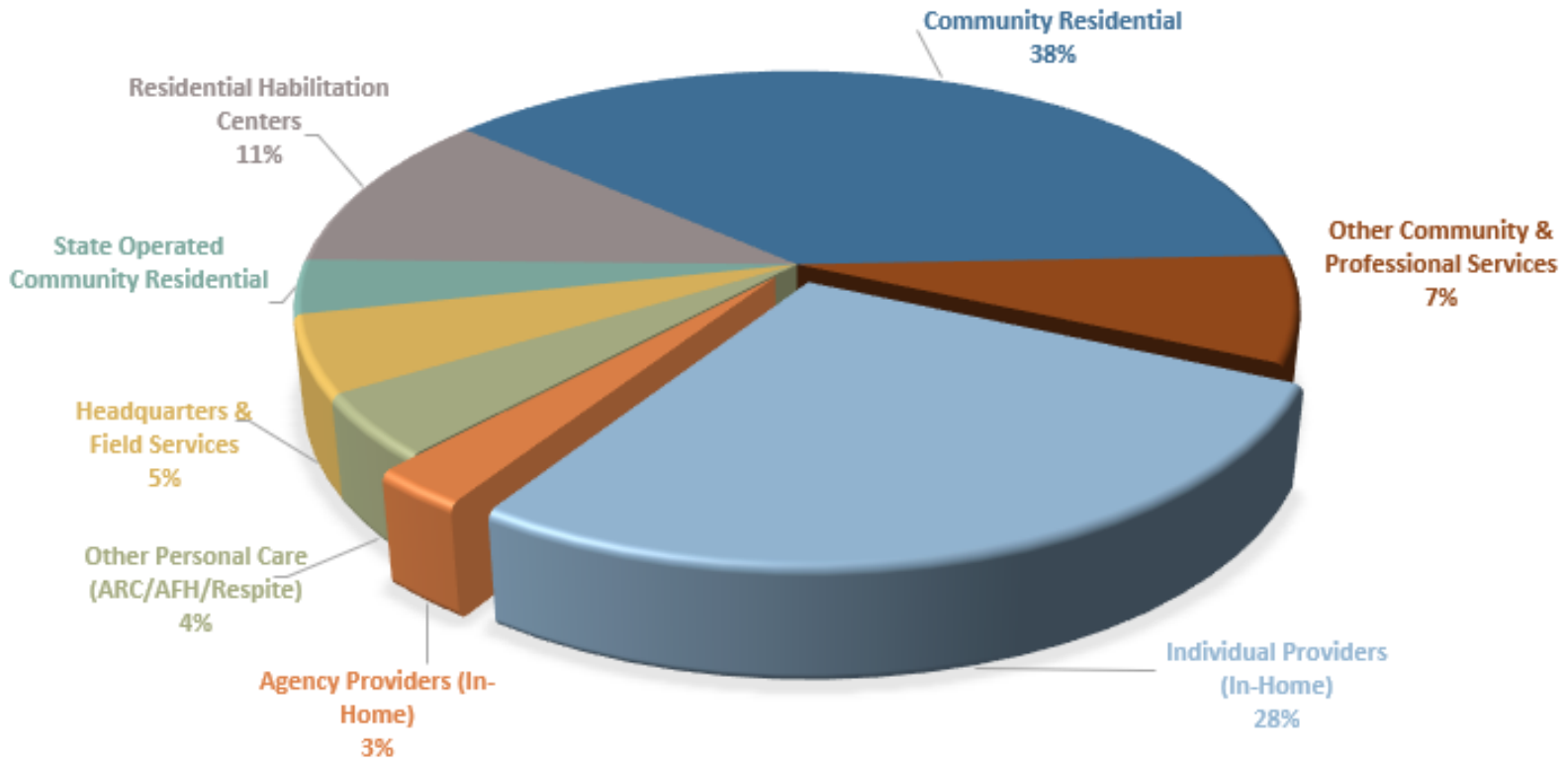
2021-23 Budget (2022 Supplemental included)	FTEs	GF-S	Other	Total
Individual Providers (In-Home)	0.0	1,128,332	0	3,005,454
Agency Providers (In-Home)	0.0	376,111	0	1,001,818
Nursing Homes	0.0	711,778	133,360	1,806,603
Community Residential (AFH/ARC/ALF)	0.0	569,745	0	1,417,706
Area Agencies on Aging	0.0	187,254	0	370,578
Administration and Field Staff	2,505.2	347,913	62,106	819,260
Other Community & Professional Services	17.6	57,197	0	129,753
TOTAL	**2,522.8**	**3,378,330**	**195,466**	**8,551,172**

ALTSA budget history by fiscal year



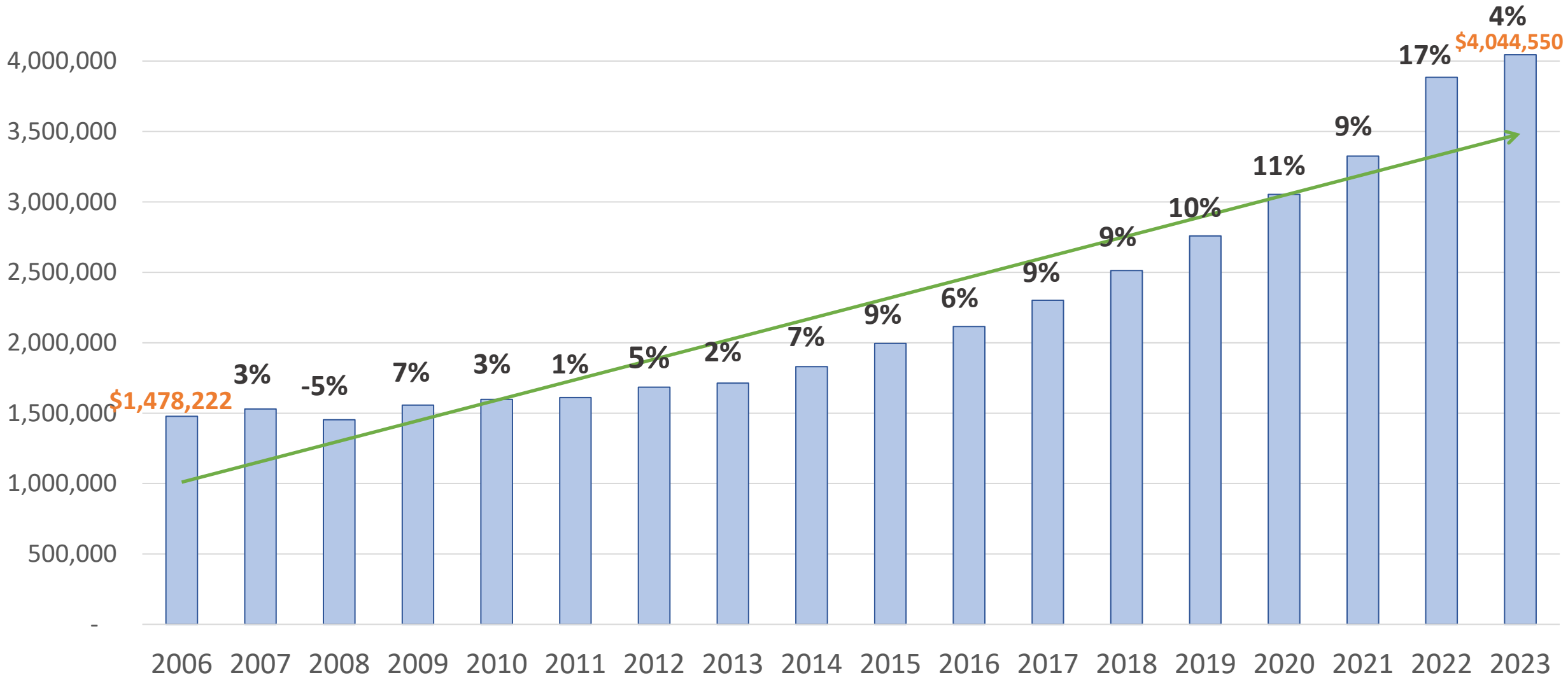
DDA 21-23 Biennium budget summary

(Dollars in Thousands)



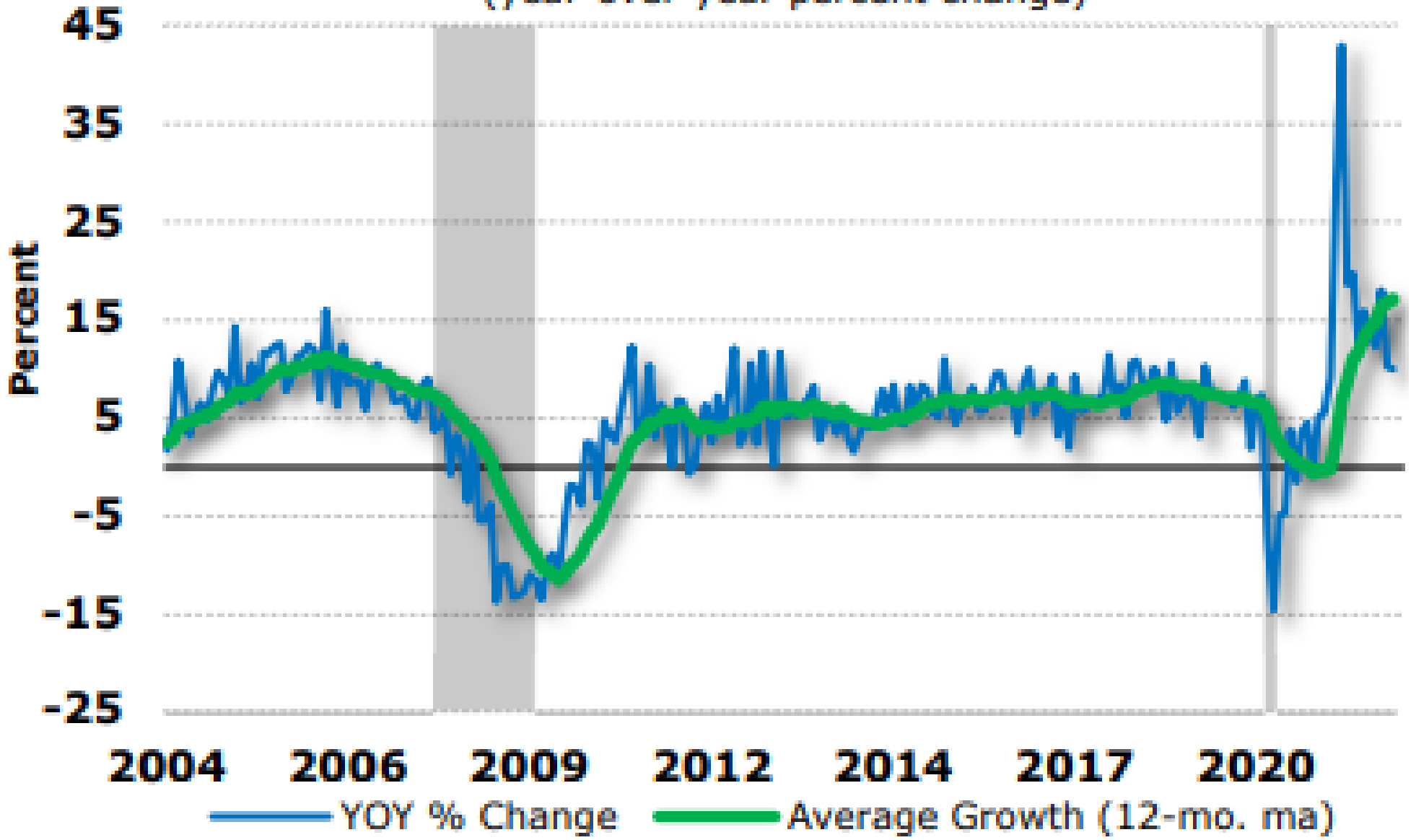
2021-23 Budget (2022 Supplemental included)	FTEs	GF-S	Other	Total
Individual Providers (In-Home)	0.0	508,805	0	1,316,109
Agency Providers (In-Home)	0.0	48,802	0	127,705
Other Personal Care (ARC/AFH/Respite)	0.0	85,307	434	208,239
Headquarters & Field Services	1,083.7	145,633	0	254,777
State Operated Community Residential	1,083.3	84,755	100	178,541
Residential Habilitation Centers	2,674.9	248,019	27,043	532,675
Community Residential	0.0	795,643	3,524	1,808,048
Other Community & Professional Services	5.3	157,916	52,000	348,953
TOTAL	**4,847.2**	**2,074,880**	**83,101**	**4,775,047**

DDA budget history by fiscal year



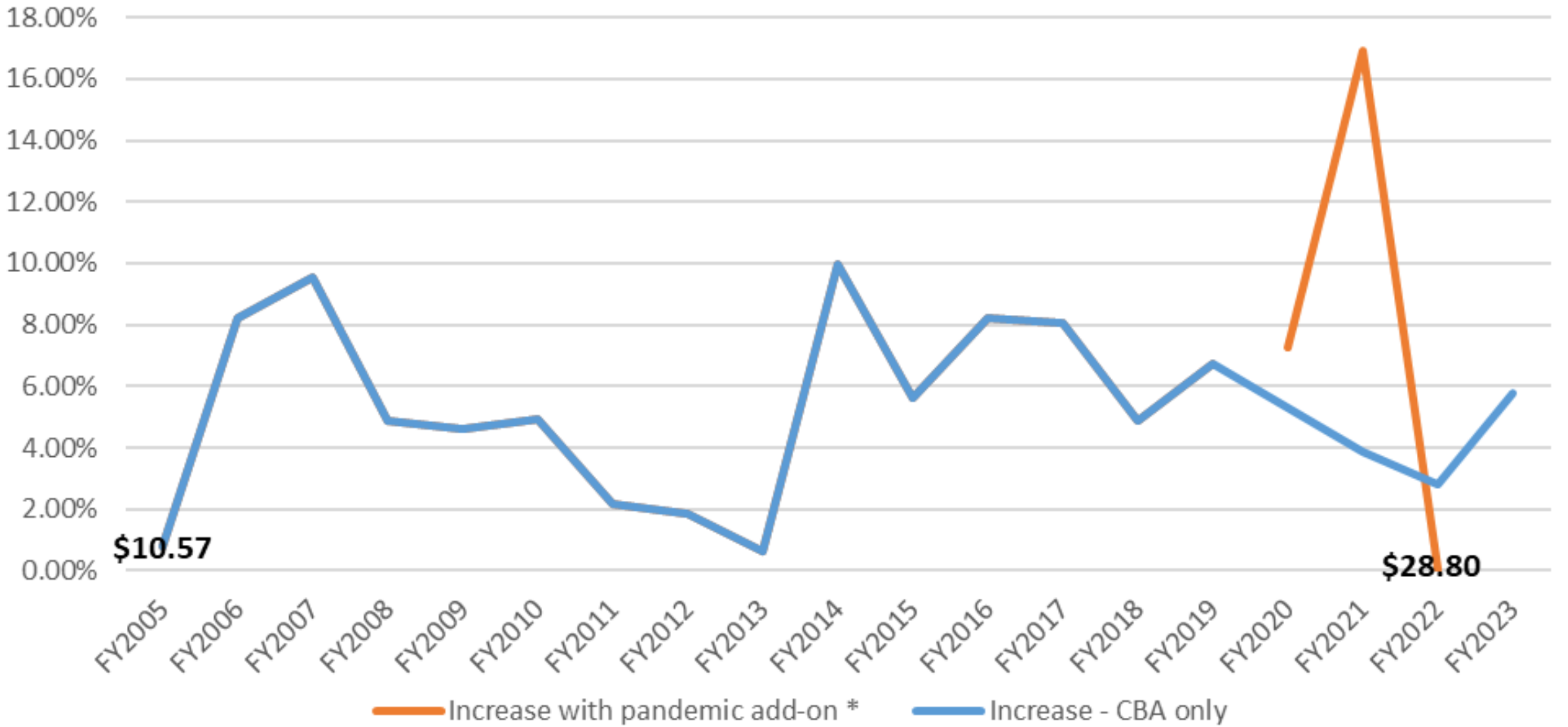
Revenue Act collections*

(year-over-year percent change)



*Current definition, adjusted for large payments/refunds and deferred 2020 payments

Individual Provider Collective Bargaining Agreement
Incremental Wage Rate Changes Year Over Year



*The FY2023 add-on has not yet been negotiated and therefore not included in this chart

Historical CBA Lookback

Amber Johnson, Planning and Labor Management Manager, ALTSA

Washington State Department of Social & Health Services

Transforming lives

April 2021

Historical Review of SEIU 775 CBAs

2003

Starting wages were $8.43.

2005

We contributed in healthcare paying $400 per month for eligible IPs.

2006

Paid time off (PTO) started with 1 hour for every 50 department paid hours worked. Cap 80 hours.

2007

Partnered with SEIU 775 and shared the cost of investment of $30,000 for a consultant with SEIU 775 for the retirement trust.

2007

Started paying an additional $1.00 for mentor, preceptor, or training differential.

2009

Contributed $.10 per Department Paid Hour (DPH) for the Training Trust.

2014

Paid an additional $.25 cents for Healthcare Aid Credential and an additional $.25 cents for Advanced Training.

2021

Contribute $3.79 per DPH for Healthcare.

2021

Contribute $.435 per DPH for training differential

2021

July PTO is 1 hour for every 25 hours worked cap 130 hours. Independence Day and New Years recognized days to receive paid time and half.

2022

January wages are cumulative working hours starting at $16.98 (0-2000 hours) and $19.35 (20,001+ hours) cumulative work hours or more.

2022

Retirement Trust = $.80 DPH for providers with less then 791 cumulative hours and $.50 DPH for providers with more than 701 cumulative hours.

2022

July of 2022 DSHS contributes $3.98 for Healthcare Trust

2023

January 2023 $18.14 on the low end of cumulative wage scale and $20.55 for a worker at the high end of the scale.

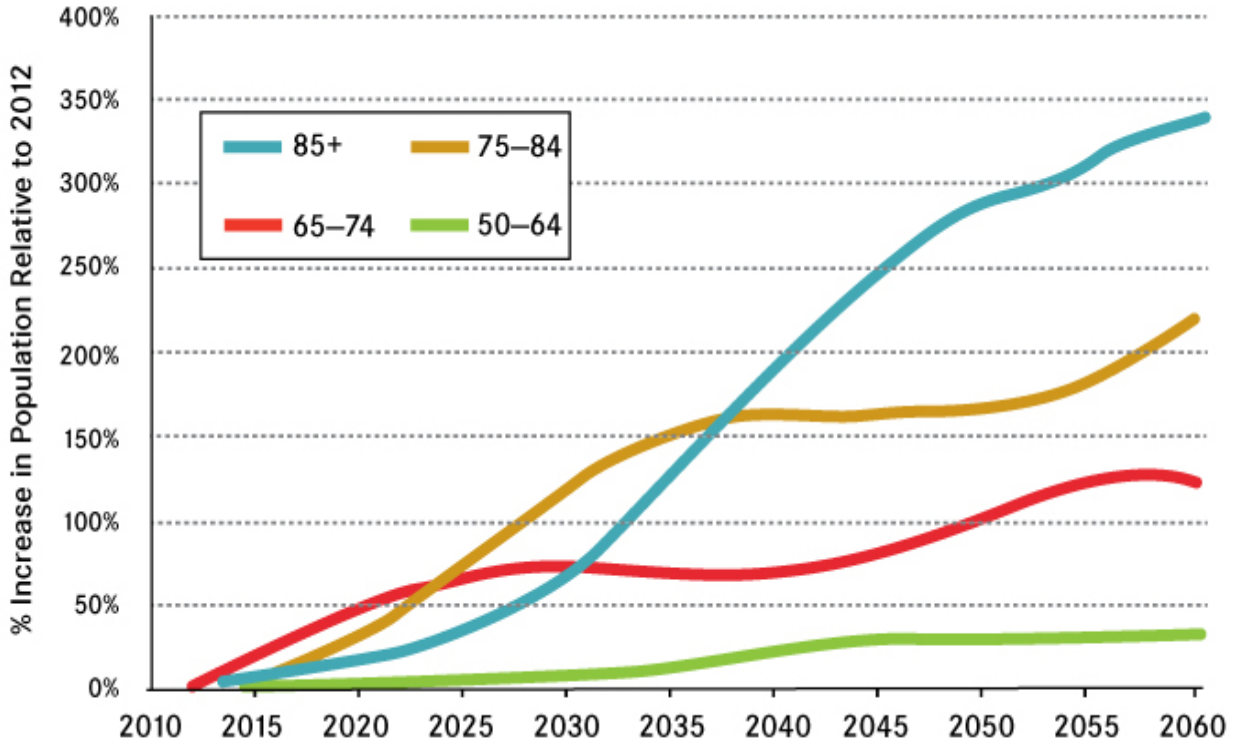
Emerging Population Growth

Jaime Bond, Interim Office Chief,

Program & Policy Development, Developmental Disabilities Administration

The Need for Long-Term Care

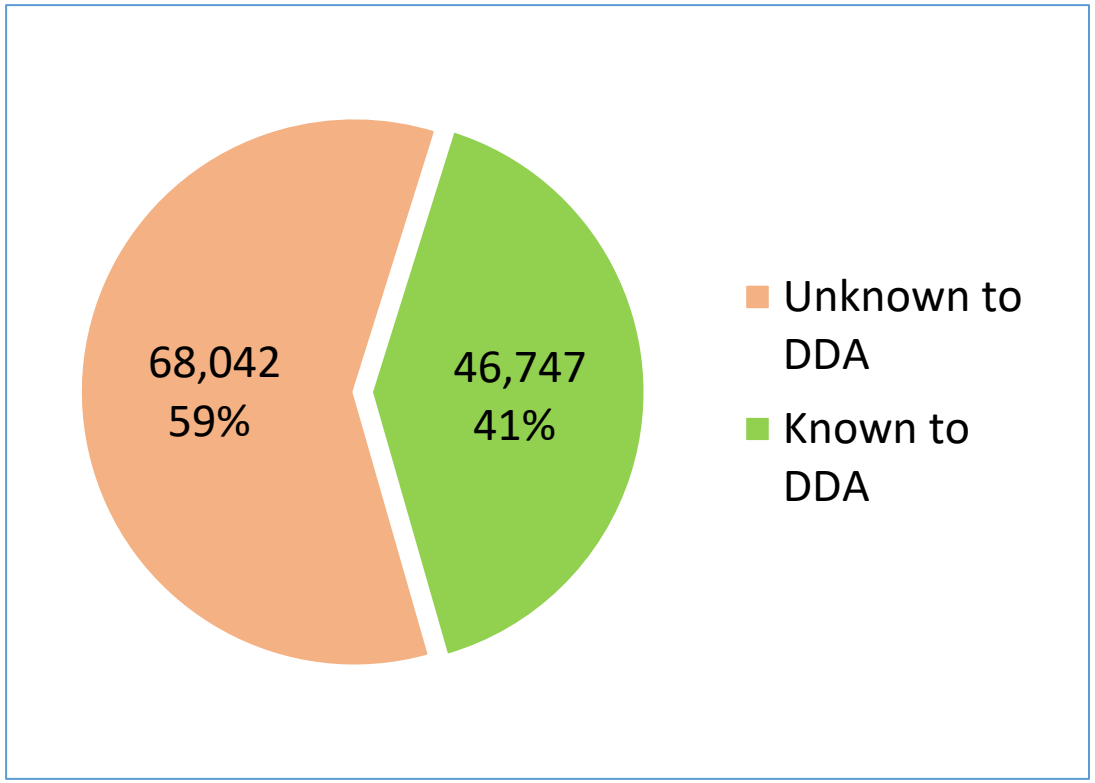
LTSS needs are growing as Washingtonians age and families are less able to meet their needs.



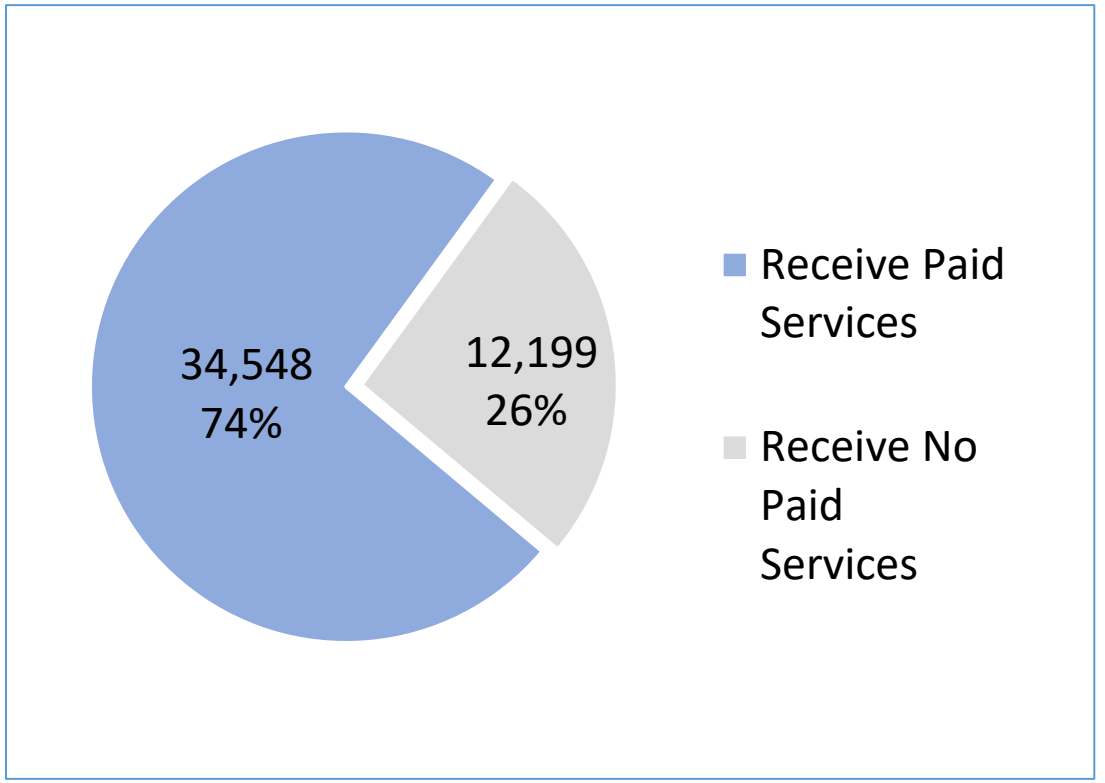
Source: Washington State Department of Social and Health Services, Research and Data Analysis Division

Washington Population

Individuals w/Developmental Disabilities

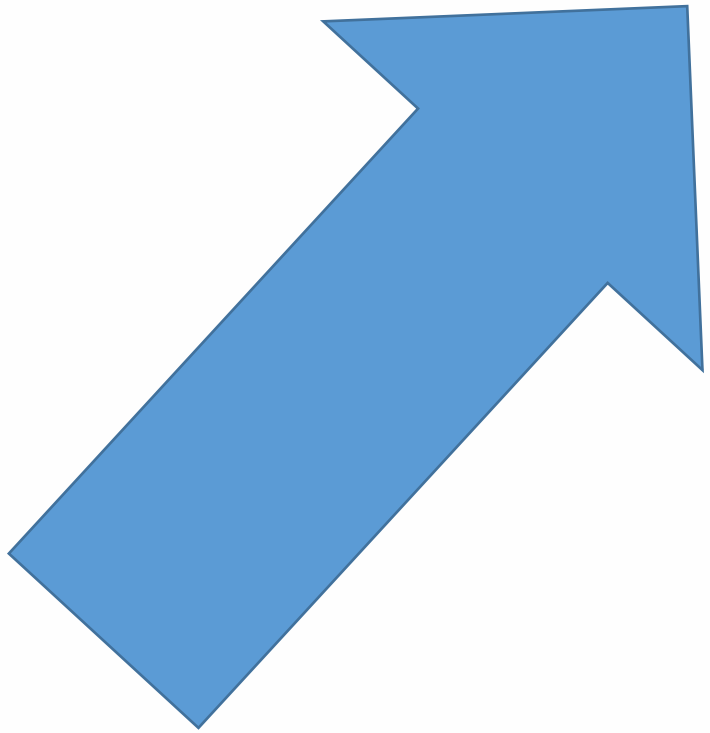


Those Enrolled w/DDA



Source:
U.S. Census
DDA Assessment Activity Report

Program Growth within DDA



Washington is experiencing **15%** annual growth in the number of people who qualify as developmentally disabled.^

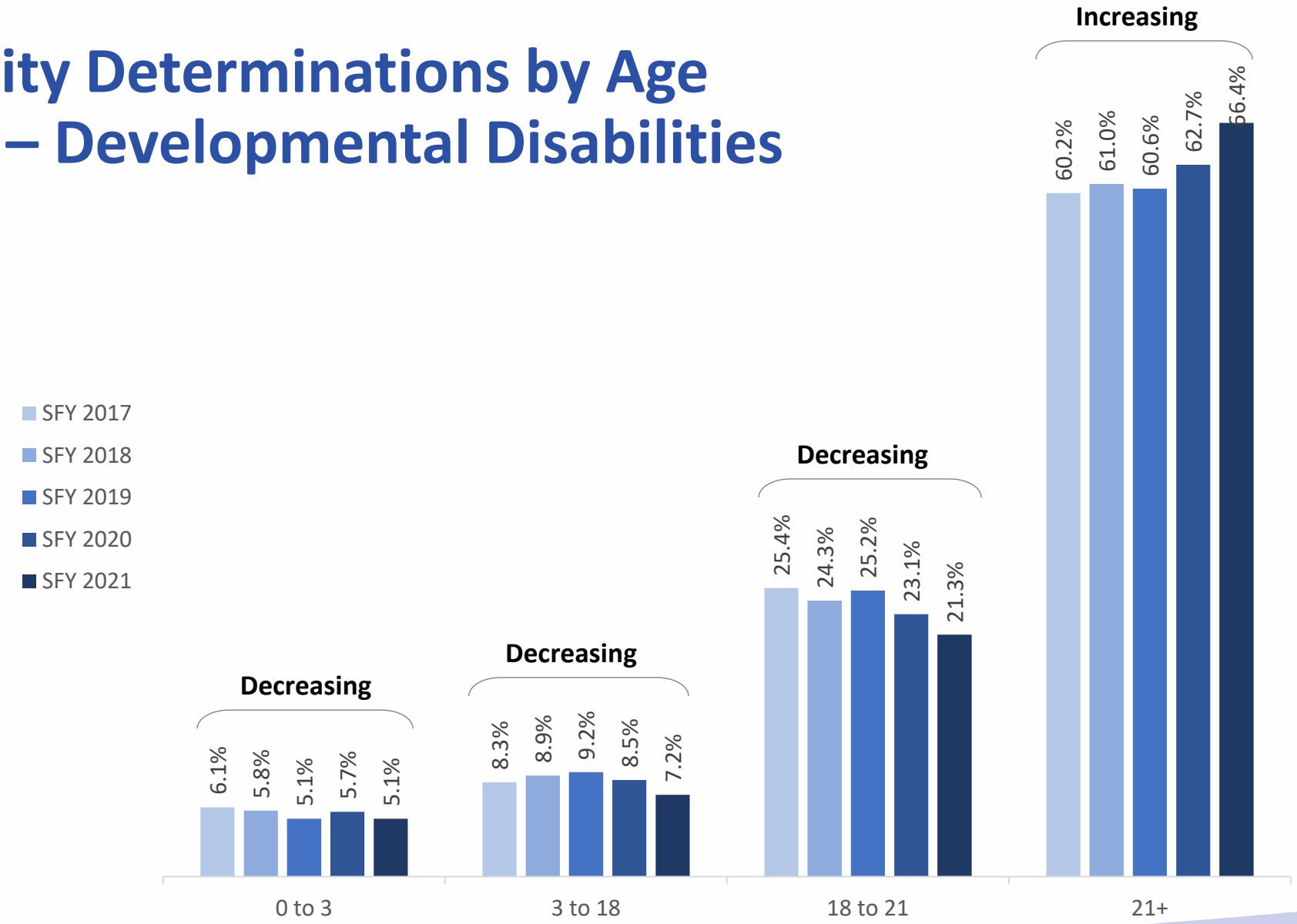
Numbers are expected to increase with elimination of IQ as an eligibility factor by July 1, 2025 under RCW 71A.16.020.*

Sources:

^ https://www.opb.org/ (2019)

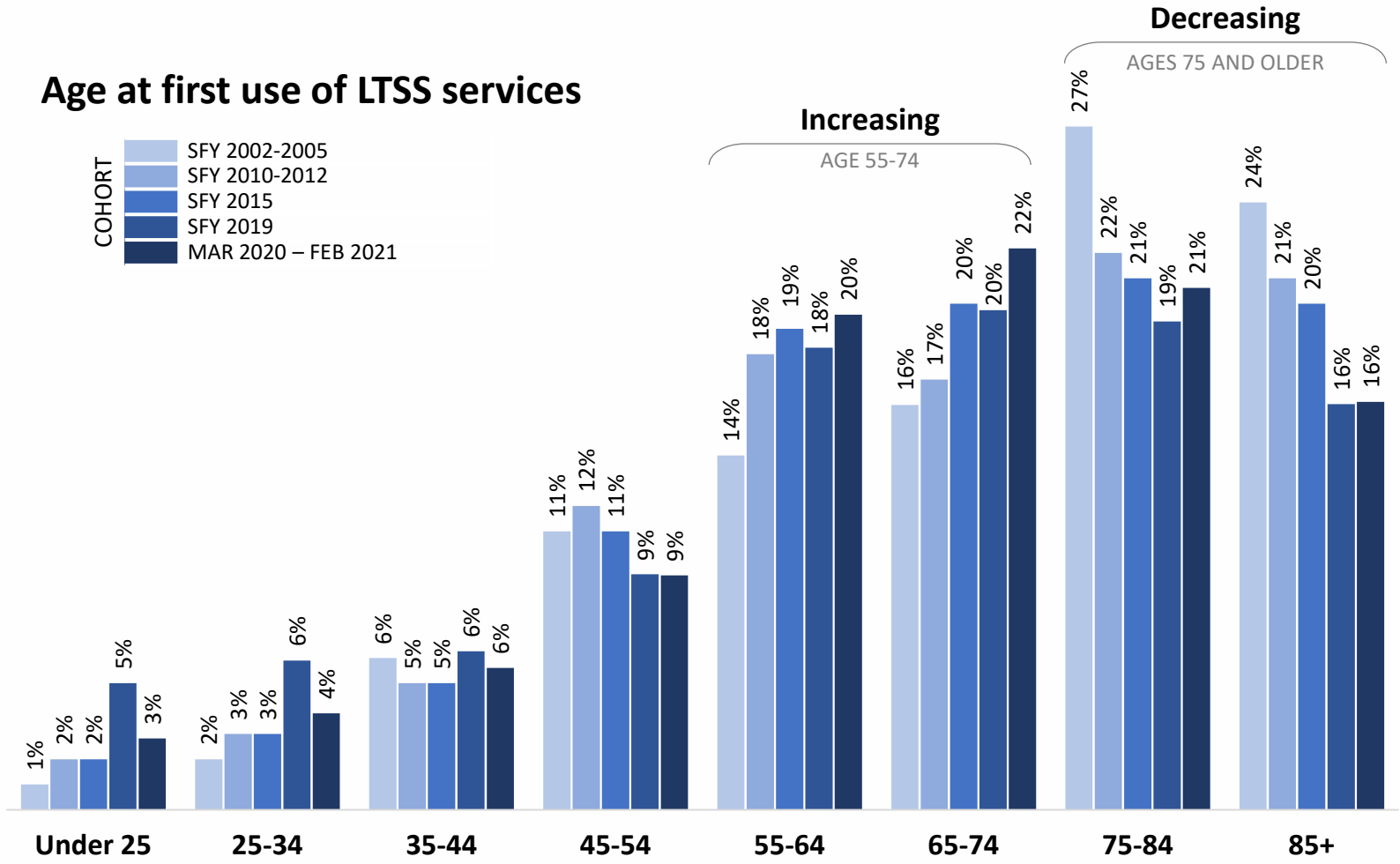
* S2SH2008, 2022 WA Legislatives Session

Eligibility Determinations by Age Group – Developmental Disabilities



Age at First Use of LTSS Services Has Been Decreasing over Time

Comparison of cohorts starting LTSS services in SFYs 2002-05, 2010-12, 2015, 2019, and in first year of COVID pandemic

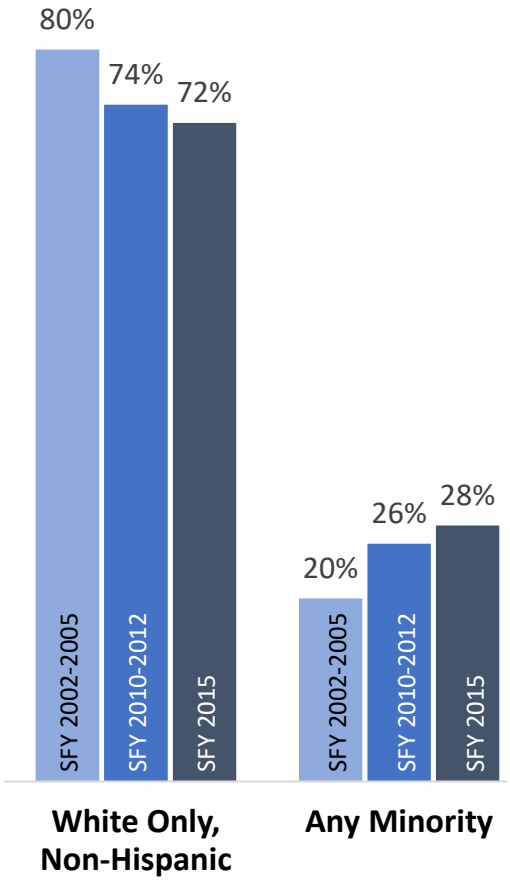


SOURCE: DSHS Research and Data Analysis Division, Integrated Client Databases.

Diversity of LTSS clients is increasing over time

Comparison of cohorts starting LTSS services in SFYs 2002-05, 2010-12, and 2015

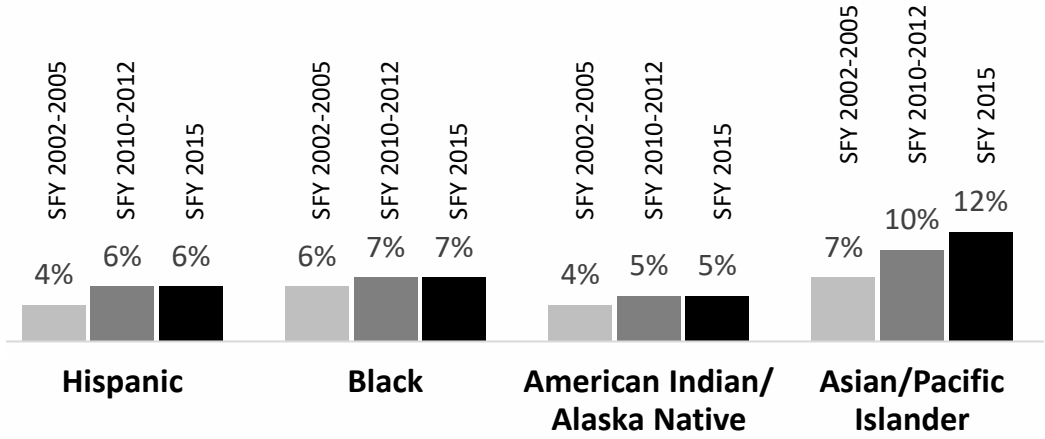
Race/Ethnicity



MINORITY DETAIL

NOTE: Minority categories are not mutually exclusive.

- *The largest increase has been among the Asian/Pacific Islander group*
- *Black and American Indian/Alaskan Native service use has remained more stable*



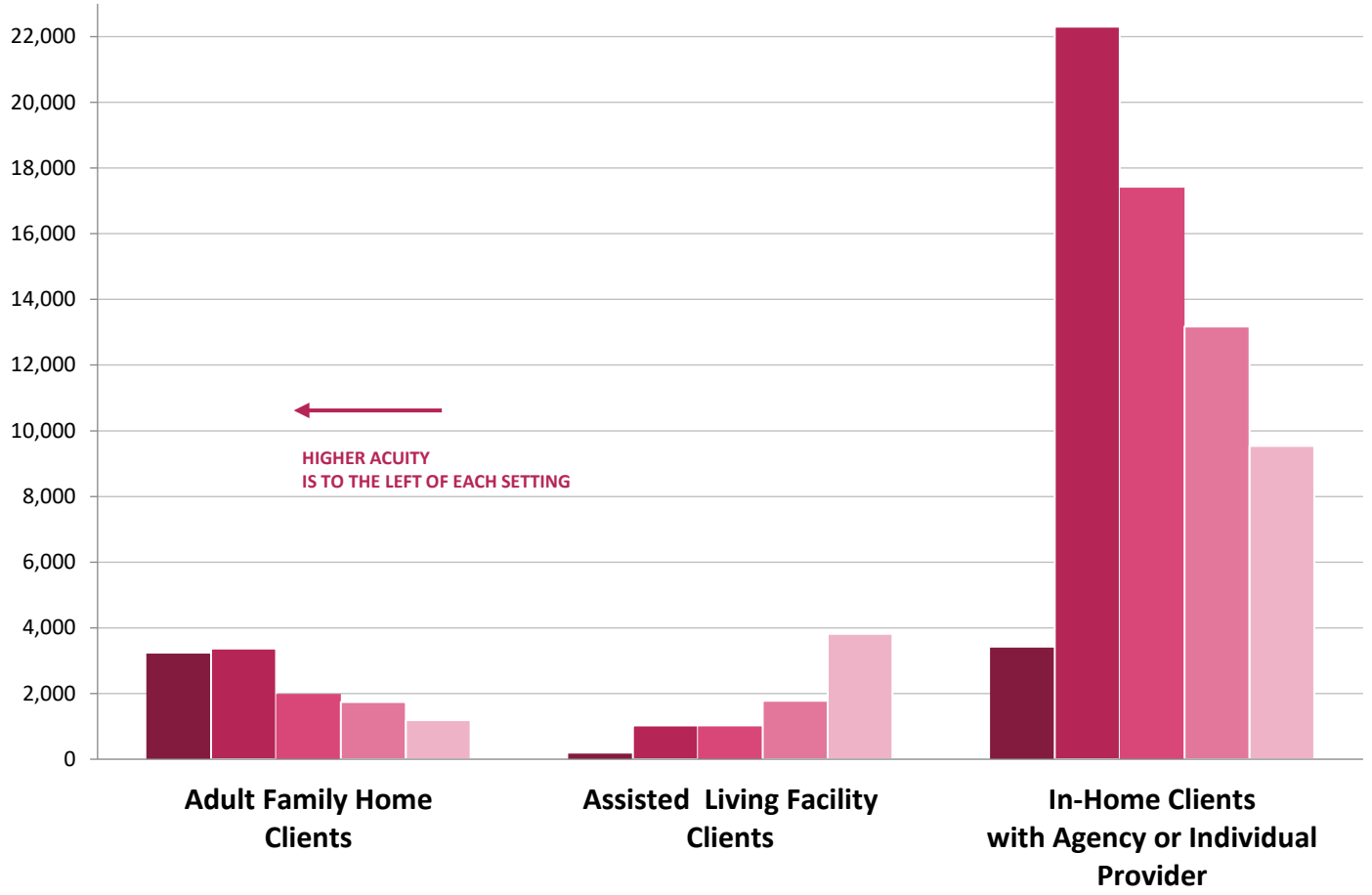
SOURCE: DSHS Research and Data Analysis Division, Integrated Client Databases.

High Acuity Clients are Served in All Community Settings

Number of Clients by CARE Assessment Acuity Group

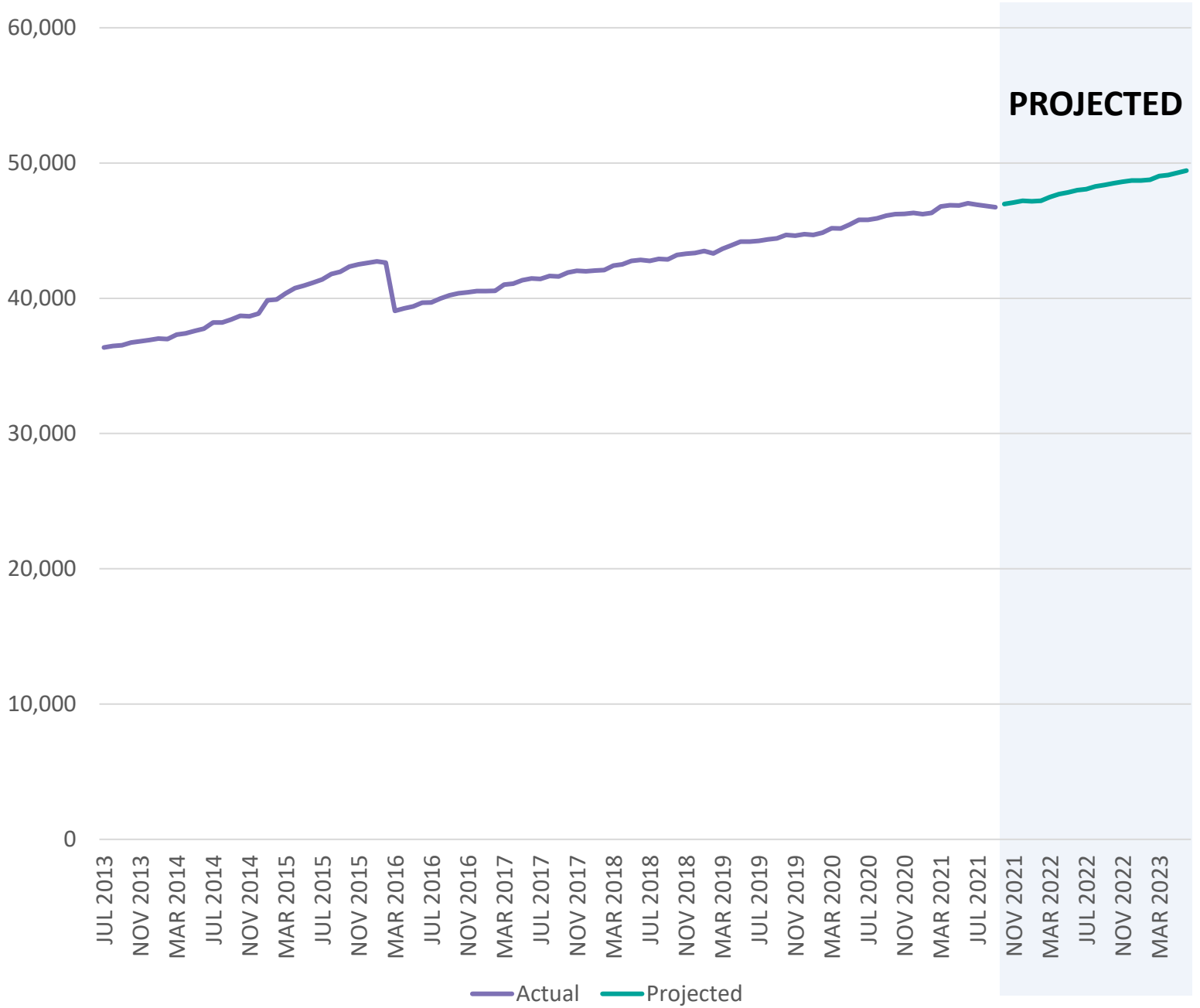
HIGHER ACUITY

GROUP 1. Extremely limited ADLs, often immobile
GROUP 2. Very limited ADLs, plus cognitive problems
GROUP 3. Moderately limited ADL, plus clinically complex
GROUP 4. Moderately limited ADL and/or behavior challenge
GROUP 5. Moderately limited ADL



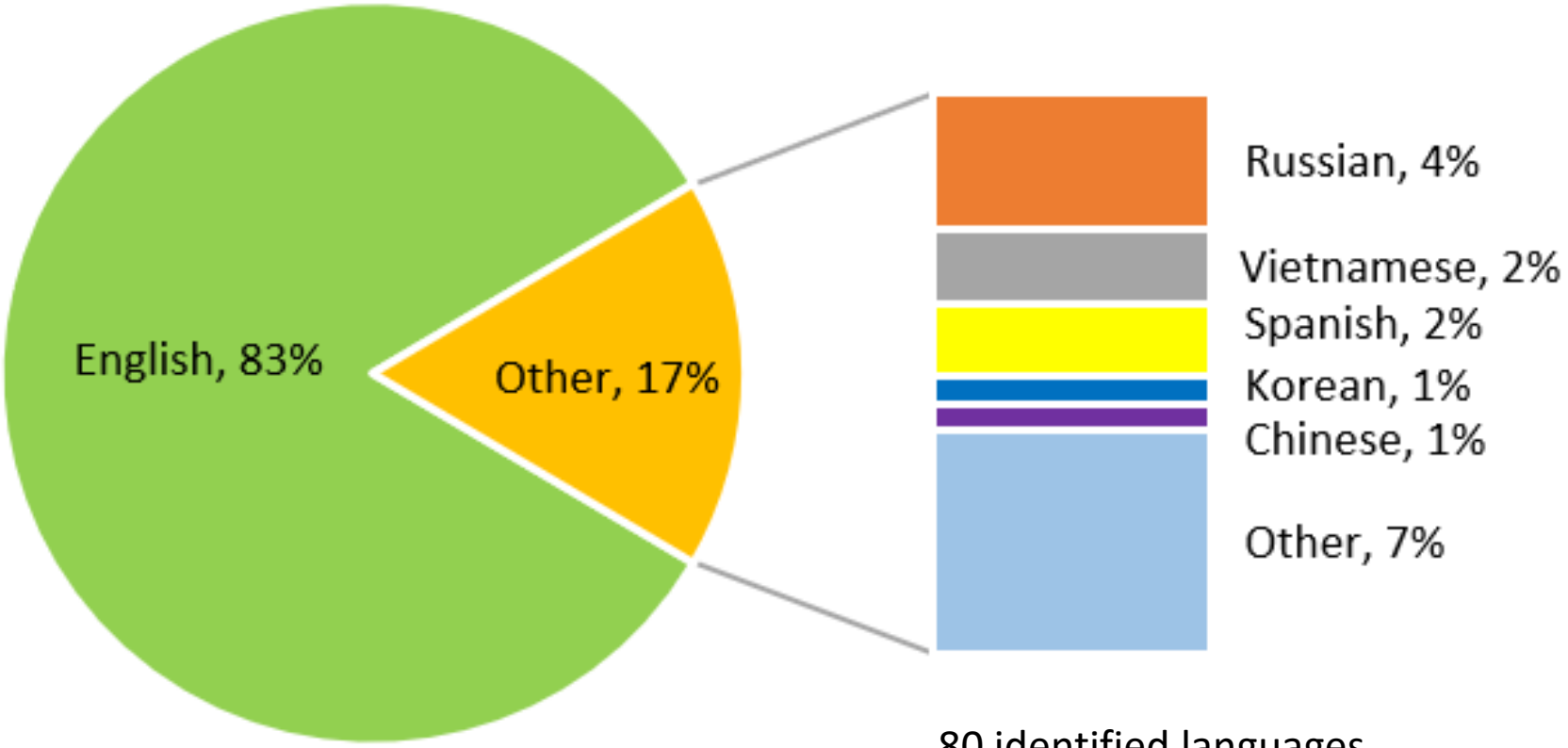
SOURCE: CARE snapshot data as of March 29, 2022, combined clients of ALTSA and DDA.

Growth in Individual Providers over time



Data from the Caseload Forecast Council

Reported Limited English Proficiency Across IP Population



80 identified languages

How are diagnostic trends changing?

DDA Eligibility Determinations by Condition

Condition	5-year average
Developmental Delay	79.8%
Intellectual Disability	6.7%
Autism	6.3%
Two or more disabilities	2.5%
Another neurological or other condition	2.3%
Cerebral palsy	1.9%
Epilepsy	0.5%
Medically Intensive Children's Program*	0.1%

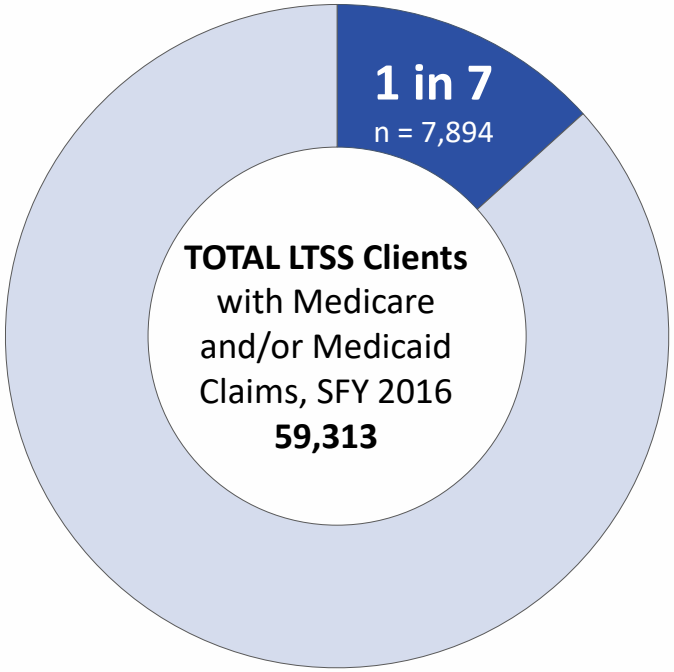
*As of August 13, 2018, clinical eligibility for the Medically Intensive Children's Program is no longer a separate eligibility category.

Prevalence of Common Conditions among ALTSA Clients

Condition	Percentage of Clients with Diagnosis
Hypertension	63%
Depression	45%
Anxiety disorder	29%
Diabetes – non-insulin dependent	21%
Chronic Obstructive Pulmonary Disease (COPD)	17%
Diabetes – insulin dependent	15%
Stroke	13%
Dementia other than Alzheimer's disease	13%
Congestive heart failure	12%
Post-traumatic stress disorder	10%
Bipolar disorder	8%
Cancer	6%
Schizophrenia	6%
Traumatic brain injury	4%
Alzheimer's disease	4%

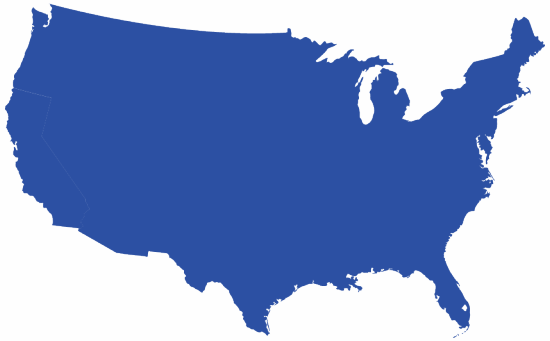
Mental illness prevalence is increasing nationally and locally

Overall prevalence of **Psychotic Disorders in Washington State** among LTSS clients with Medicare and/or Medicaid claims



Prevalence of Serious Mental Illness Nationally

1 in **25 adults** with **Serious Mental Illness** Nationally



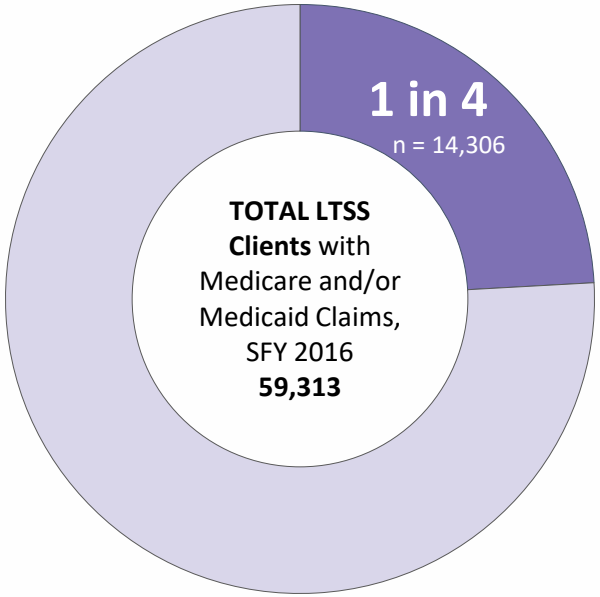
This represents **4.5% of the U.S. Population**

- The prevalence of SMI is higher among women (5.7%) than men (3.3%)
- Young adults aged 18-25 years had the highest prevalence of SMI (7.5%) compared to adults aged 26-49 years (5.6%) and aged 50 and older (2.7%).
- The prevalence of SMI was highest among the adults reporting two or more races (8.1%), followed by White adults (5.2%). The prevalence of SMI was lowest among Asian adults (2.4%).

SOURCE: State date: DSHS Research and Data Analysis Division, Integrated Medicare and Medicaid claims, SFY 2016. (Note: Psychotic Disorders are a subset of SMI. Total SMI numbers in WA are likely higher than 1 in 7).
National data: https://www.nimh.nih.gov/health/statistics/mental-illness.shtml (Note: National data is total adult population and is not specific to the Medicaid population).

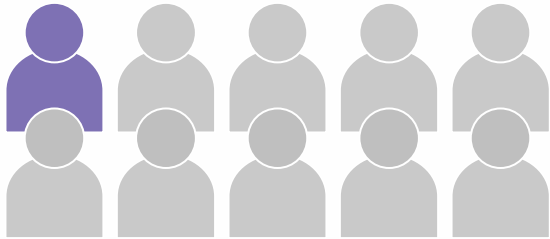
Dementia prevalence is increasing nationally and locally

Overall prevalence of **Delirium and Dementia Disorders in Washington state** among LTSS clients with Medicare and/or Medicaid claims



Prevalence of Alzheimer's Dementia Nationally

1 in **9 adults** over age 65 has Alzheimer's dementia



This represents **11.1% of the population over age 65**

- Almost two-thirds of Americans with Alzheimer's are women.
- By 2050, the number of existing cases is expected to more than double, from 6.5 million to 13.8 million

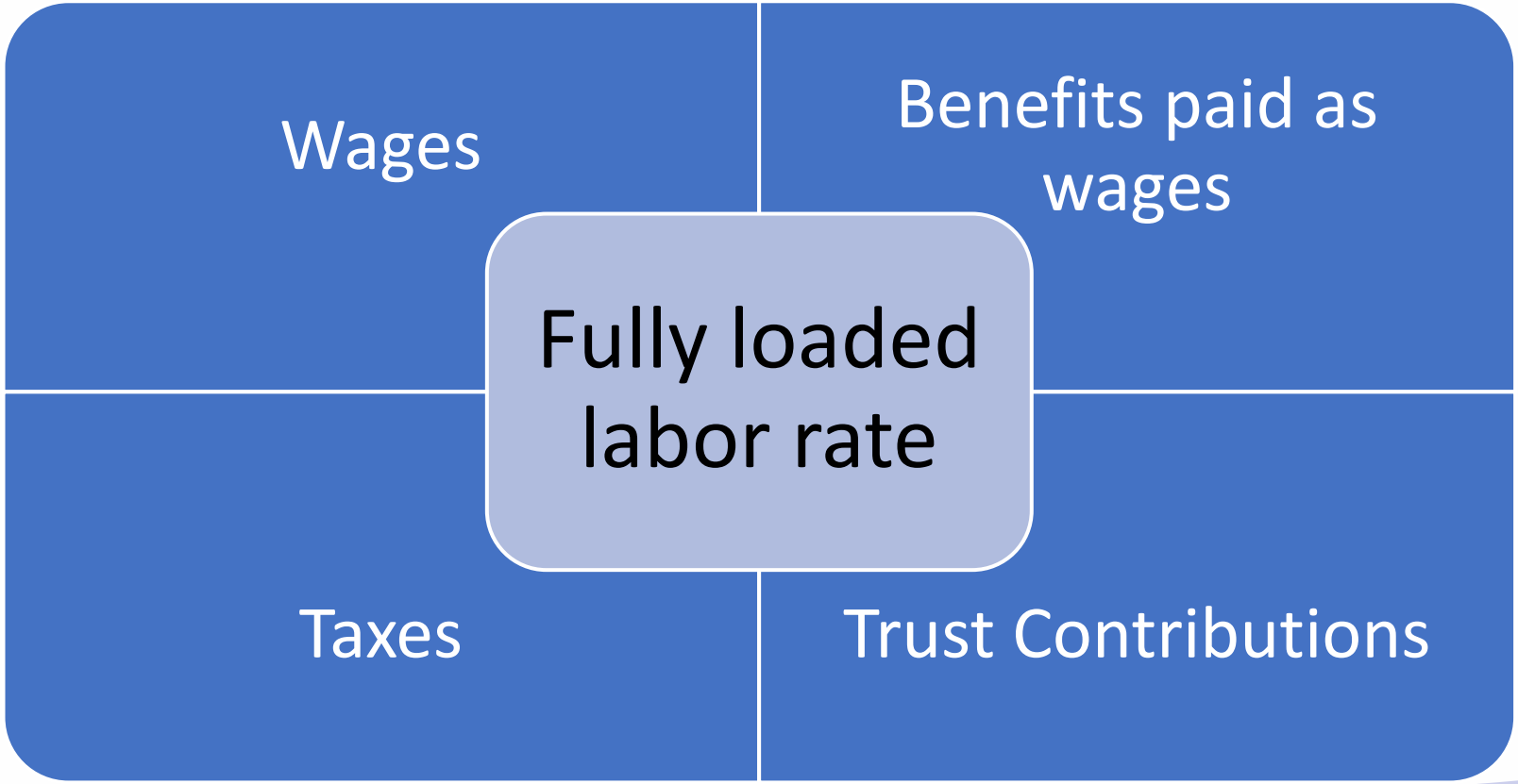
SOURCE: Washington data: DSHS Research and Data Analysis Division, Integrated Medicare and Medicaid claims, SFY 2016. National data: Alzheimer's Association (www.alz.org)

Review of Overall CDE Rate Structure

Dennis Elonka, CDE Project Manager

CDE - Labor Rate Components

Comprised of Four Categories



Wages

- Base hourly wage
  - Averaged based on projected CCH volumes
- Differentials
  - Home Care Aid
  - AHCAS (current and legacy)
  - AP Experience inclusion
- Mileage
  - Not taxable, but based on services performed

Amount included for each line item is based on anticipated utilization and averaged across population

Benefits Paid as Wages

Holiday Pay

- New Years and 4th of July

Paid Time Off

- Developed based on accrual rates identified in CBA
- Assumed claim rate of 100%, actual claim rates have been less historically

Paid Training Time

- Based on historic average of training hours

Admin Time

- 15 minutes per timesheet

Overtime

- Assume at 4% utilization, historic utilization is less than 4%

Payroll Taxes

Includes all legally required taxes paid by employer

- Federal Taxes
  - FICA/FUTA/SUTA – assumed at 7% due to tax exemptions and exclusions available to in home care workforce and historic amounts
- State Taxes
  - Paid Family Medical Leave – percentage based
  - Workers Compensation (LNI) – based on number of hours worked by employee, calculated based on historic hours worked average

Trust Contributions

Rates contributed by employer to Taft-Hartely Trust* per department paid hour as defined in the collective bargaining agreement.

- Health Trust
- Training Trust (Northwest Training Partnership)
- Retirement Trust (Secure Retirement Plan)
- Care referral service (Carina Care)*

*Carina is a service provider to clients and IPs, but is not a Taft-Harley Trust

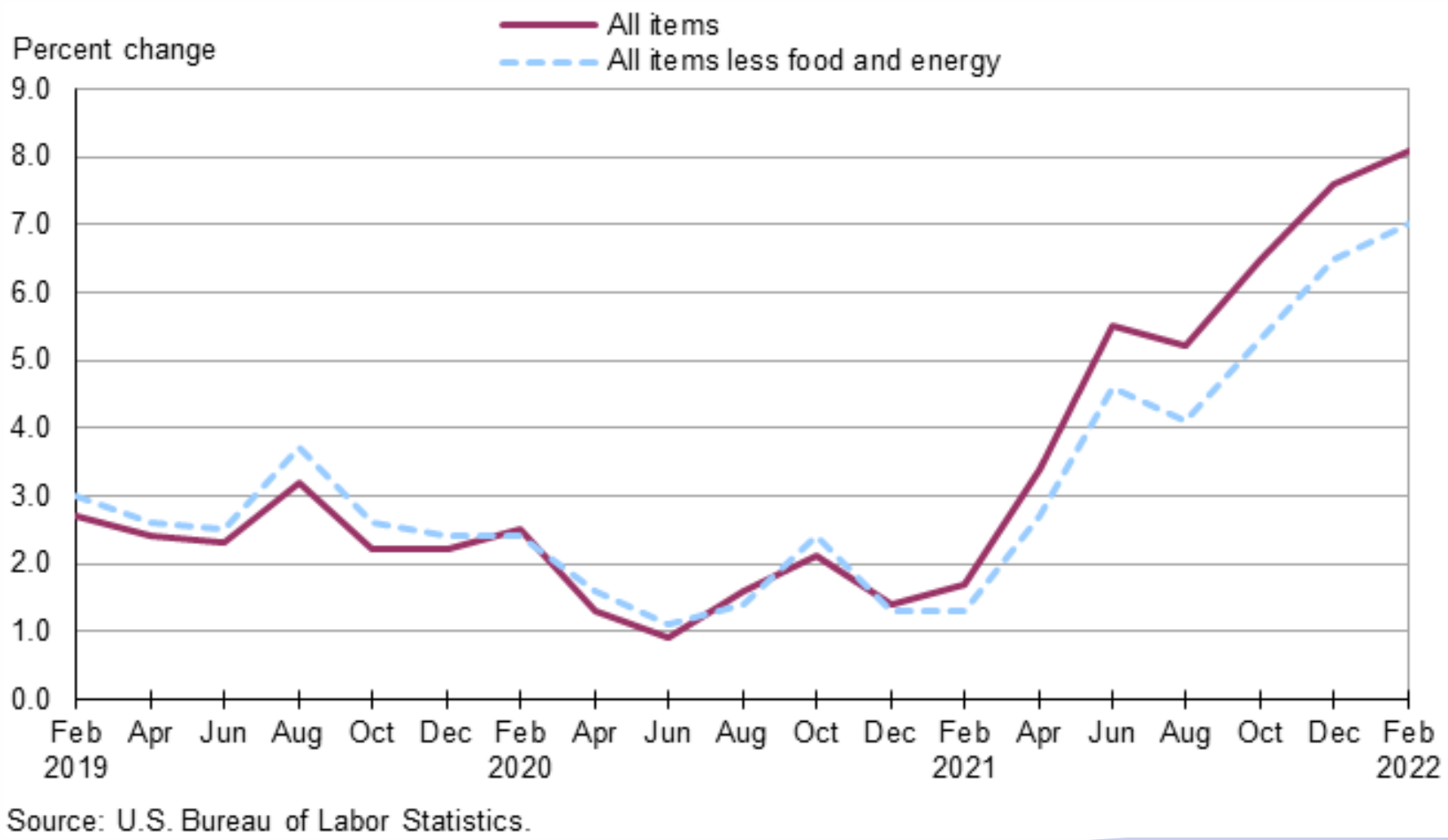
CDE - Administrative Rate Components

Comprised of Three Components charged on a per hour basis

- The base administrative rate – used for CDE Service delivery
- Bad Debt – compensates for uncollectable client payments and other losses out of the control of CDWA
- Business & Occupation Tax reimbursement – paid to CDWA and then returned to the state via Department of Revenue tax

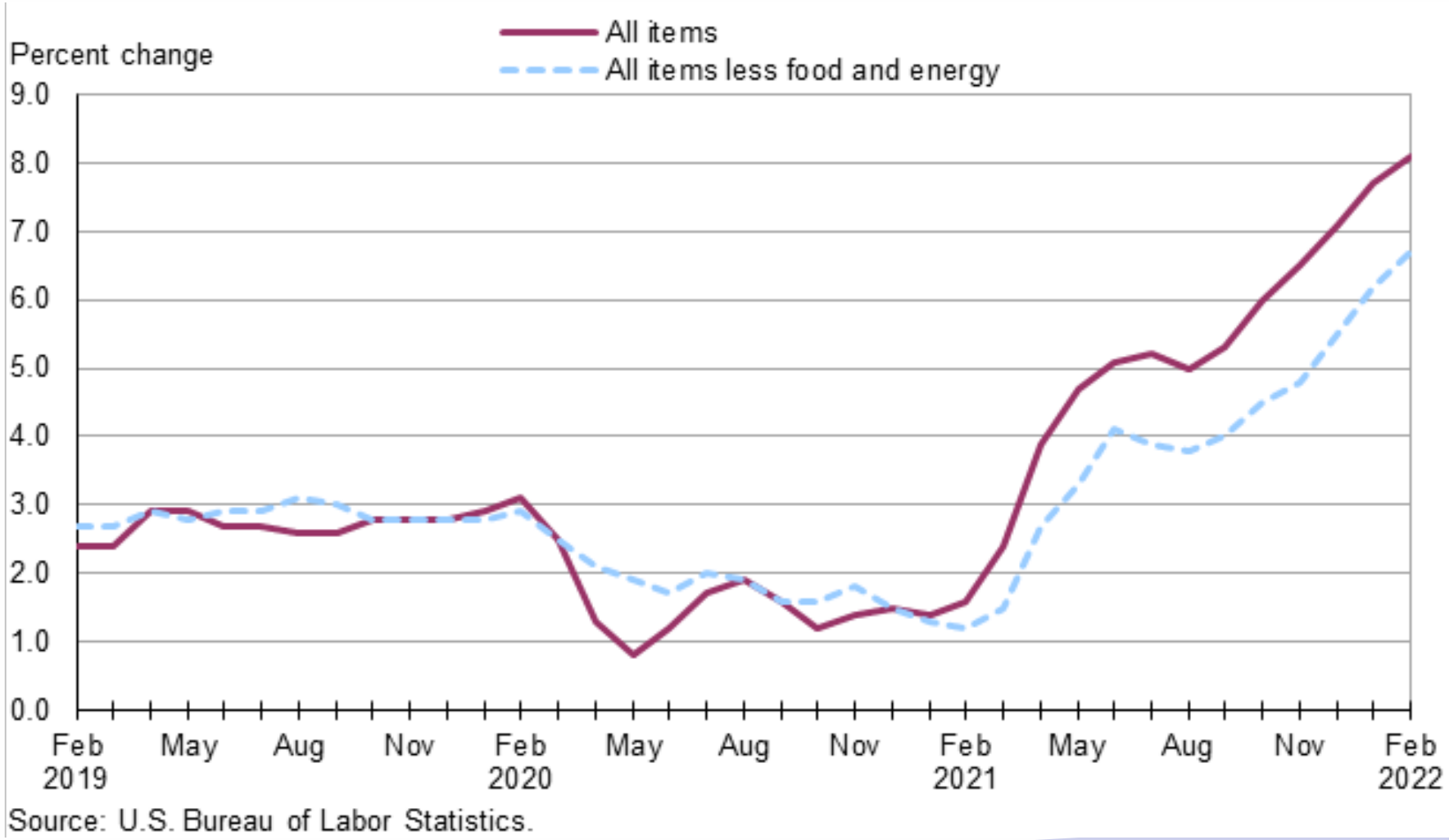
CDWA is also being compensated for startup costs through FY23. Those charge will cease after approx. 39M hours of service provision.

Consumer Price Index Seattle, Tacoma, Bellevue



Source: U.S. Bureau of Labor Statistics.

Consumer Price Index West Region 2019-2022



Consumer Price Index West Region 2019-2022

Table A. West region CPI-U 1-month and 12-month percent changes, all items index, not seasonally adjusted

Month	2018		2019		2020		2021		2022	
	1-month	12-month	1-month	12-month	1-month	12-month	1-month	12-month	1-month	12-month
January	0.5	3.1	0.2	2.7	0.3	2.9	0.2	1.4	0.9	7.7
February	0.5	3.1	0.2	2.4	0.4	3.1	0.5	1.6	0.8	8.1
March	0.4	3.2	0.4	2.4	-0.2	2.5	0.7	2.4		
April	0.4	3.2	0.8	2.9	-0.4	1.3	1.0	3.9		
May	0.5	3.5	0.5	2.9	0.1	0.8	0.8	4.7		
June	0.2	3.6	0.0	2.7	0.4	1.2	0.9	5.1		
July	0.1	3.6	0.0	2.7	0.5	1.7	0.6	5.2		
August	0.2	3.6	0.1	2.6	0.3	1.9	0.2	5.0		
September	0.3	3.4	0.3	2.6	0.0	1.6	0.2	5.3		
October	0.4	3.5	0.5	2.8	0.2	1.2	0.8	6.0		
November	-0.2	3.3	-0.1	2.8	0.0	1.4	0.5	6.5		
December	-0.2	3.1	-0.2	2.8	-0.1	1.5	0.4	7.1		

Understanding Home Care Agency Parity

RCW 79.39A.310

Susan Engels, Office Chief State Unit on Aging, ATLSA

Home Care Agency Vendor Rate History

- The Parity statute has been used to calculate the rate since July 1, 2006 when the rate was $15.89 per hour.
- Prior to that, the legislature would determine a lump hourly increase amount for wages, taxes and admin.
- The statute requires a formula to consider changes to wages, benefits and taxes/premiums aligned with the IP collective bargaining agreement.

How it works

- RCW 74.39A.310 as amended in 2020:

  (1) The department shall convert and distribute any change in the total amount of wages and benefits negotiated and funded in the contract for individual providers of home care services pursuant to RCW 74.39A.270 and 74.39A.300 **or labor rates** established under RCW 74.39A.530 into a per-quarter-hour amount. This must be accomplished in each odd-numbered year within sixty days after adjournment sine die of the legislative session.

RCW 74.39A.310 as amended in 2020:

(2) The per-quarter-hour amount shall be added to or subtracted from the statewide home care agency vendor rate and any increase shall be **used exclusively for improving the wages and benefits** of home care agency workers who provide direct care, and for paying **any resulting change in required employer contributions or premiums**.

RCW 74.39A.310 as amended in 2020:

(3) When determining the per-quarter-hour amount, the department must include:

- (a) The changes to wages, benefits, and compensation **negotiated and funded** each biennium…
- (b) The **change** in the average costs experienced by medicaid contracted home care agencies, as determined by the department in its sole discretion, of employer contributions or premiums required by law…
- (c) An adjustment, as determined by the department in its sole discretion, for cost of compensation for **work time that may not be billed as service hours**, such as travel time, that must be paid to direct service workers under wage and hour laws and any related employer tax contributions or premiums.

RCW 74.39A.310 as amended in 2020:

(4) The portion of the vendor rate calculated for health care benefits, including but not limited to medical, dental, and vision benefits, may only be used for health benefits for home care agency workers who provide direct care.

(5) When establishing the per-quarter-hour amount, the department must prevent duplicate accounting for the same cost.

Wage Related

- Pre-tax wages include:
  - Base Wages and pay differentials
  - Paid Time Off
  - Holidays
  - Timesheet Administration adjustment
  - Overtime
  - Home Care Aide Seniority Reciprocation

Taxes/Premiums

- Taxes or Premiums experienced by home care agencies on wages:
  - FICA (Social Security and Medicare taxes)
  - FUTA (federal unemployment tax)
  - PFMLA (Paid Family Medical Leave Act)
- L&I & SUTA
  - Weighted average of the premiums for the participating Medicaid contracted agencies participating in L&I and ESD SUTA

Non-Billables (currently 3.74%)

- Because agencies are employers, they have certain labor law obligations that did not apply to Individual Providers.
- Based on time study surveys, a percentage was added on to cover when the agency must pay their employee but could not bill the time.
- Some examples are personnel time, windshield time, and “no shows”. OT and Timesheet Admin in the past.

Other Compensation

- Health Benefits/Health & Safety
- Training Contribution (including AHCAS/ABHCAS)
- Referral Registry Contribution
- Retirement
- Mileage Reimbursement

Admin

- Not part of the Parity Statute, but sometimes allocated by the legislature.
  - Electronic Visit Verification funding
  - Vendor Rate Administration

- Challenging to maintain business functions with relatively flat admin rate.

COVID Rate Enhancement

- COVID Rate Enhancements followed the Parity rules as they came through MOU to collective bargaining
  - Wages
  - PPE/fit-testing
  - Admin
  - Various amounts

Future Plans

- As the timelines and process of the Rate Setting Board have become clearer since the 2020 amendment, some requirements may not be deliverable in the timeframe required.

Board Discussion

Public Comment

Adjourn