

Rate Setting Board

April 24, 2024

9:00 a.m. – 3:00 p.m.

In Person/Zoom Attendance

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Transforming lives

TAB 1

Consumer Directed Employer Rate Setting Board

Meeting #2

April 24, 2024

Blake Office Park West 4450 10th Avenue SE, Lacey

Roosevelt / Chelan Rooms

9:00 am – 3:00 pm

Agenda

Time	Topic	Presenter(s)
9:00-9:20	<ul style="list-style-type: none"> ➤ Welcome and Introductions ➤ Purpose/Meeting Overview ➤ Approval of the Minutes 04.22.2024 	Facilitator Chair
Foundational Information		
9:20-10:35	<ul style="list-style-type: none"> ➤ IP Historical Funding ➤ Comparison of States' Investments in Workforce ➤ Emerging Population Growth 	DSHS
10:35-10:50	Break	
Remarks		
10:50-12:20	<ul style="list-style-type: none"> ➤ OFM/DSHS Remarks ➤ SEIU Remarks ➤ CDWA Remarks 	DSHS SEIU 775 CDWA
12:20-12:35	➤ Board Discussion	All
12:35-1:30	Lunch	
Foundational Information		
1:30-2:30	<ul style="list-style-type: none"> ➤ Review of Overall CDE Rate Structure ➤ Home Care Agency Parity ➤ Home Care Agency Parity HCA perspective 	DSHS DSHS HCA Board Member
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

Rate Setting Board Members

Charles Reed	Chair
Adam Glickman*	Exclusive Bargaining Unit Designee
Bea Rector*	DSHS Representative
Ben Bledsoe*	CDE Representative
Cynthia Hollimon*	Governor's Office Representative
Rep. Kelly Chambers^	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
Open Position^	People with Intellectual or Developmental Disabilities Organization
Open Position^	People with Disabilities Organization
Eric Erickson^	Licensed Home Care Agency
Nellie Prieto^	Home Care Worker

*Voting member, ^Advisory member

Rate Setting Board Meeting Schedule

April 22, 2024 9:00am – 3:00pm	In Person/Zoom
April 24, 2024 9:00am – 3:00pm	In Person/Zoom
May 6, 2024 9:00am – 3:00pm	In Person/Zoom
May 17, 2024 9:00am – 3:00pm	In Person/Zoom
May 29, 2024 9:00am – 3:00pm	In Person/Zoom
June 5, 2024 9:00am – 3:00pm	In Person/Zoom
June 13, 2024 9:00am – 3:00pm	In Person/Zoom
July 8, 2024 9:00am – 3:00pm	In Person/Zoom
July 25, 2024 9:00am – 3:00pm	In Person/Zoom
August 5, 2024 9:00am – 3:00pm	In Person/Zoom

TAB 2

Rate Setting Board

[Approved By-Laws](#)

[Approved Charter](#)

[Approved Policy Selecting Chairperson](#)

[Approved Policy Establishing and Submitting Rates](#)

TAB 3

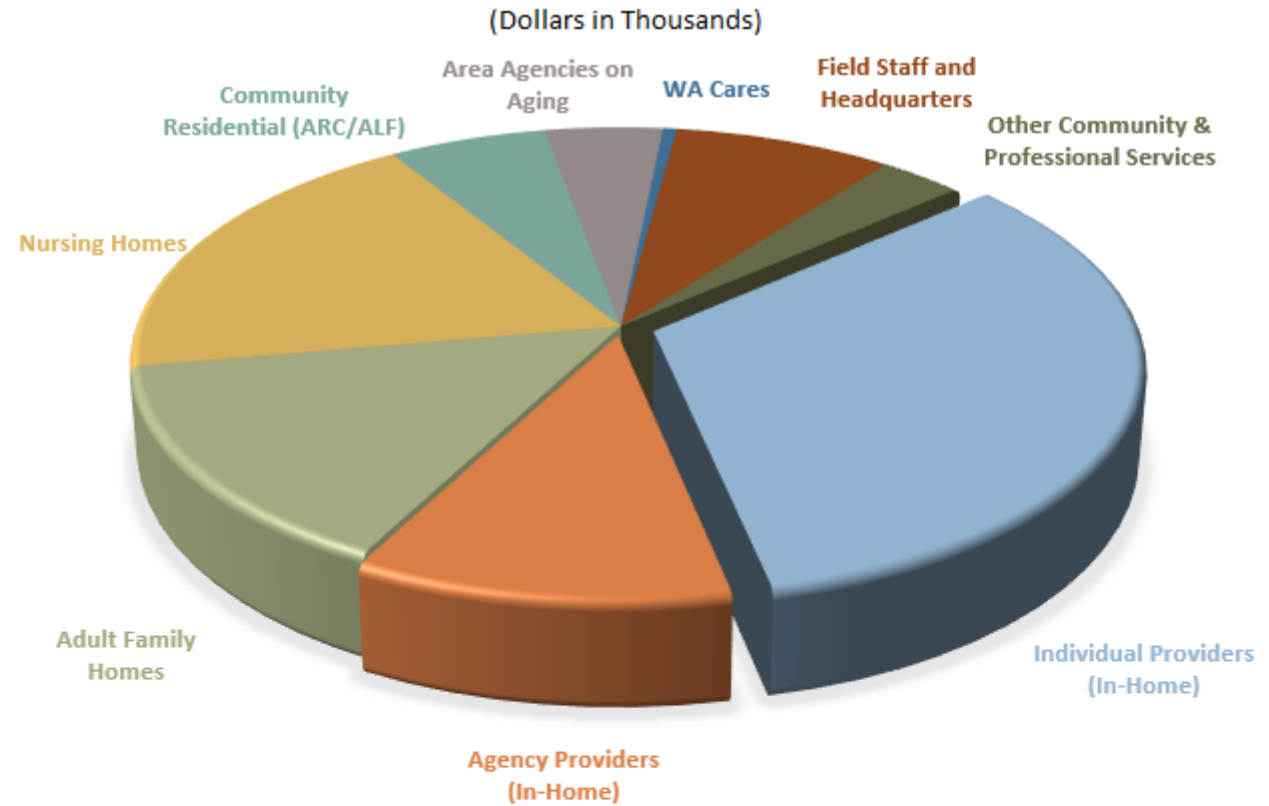
History of Individual Provider (IP) Funding

Jonathon G. Smith, Rates Data Administrator

Office of Rates Management

Management Services Division, ALTSA

AL TSA 23-25 Biennium Budget Summary



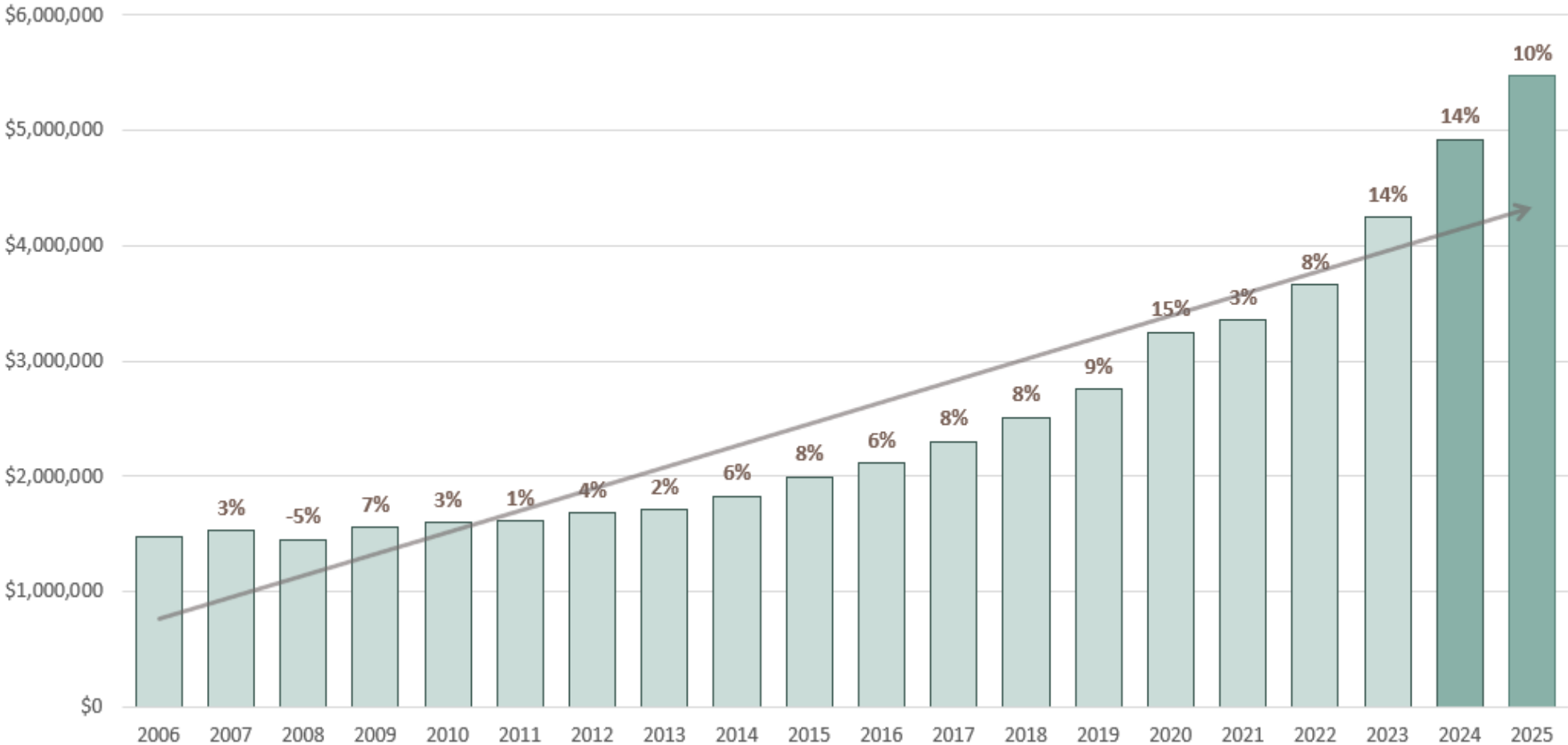
2023-25 Budget

(2024 Supplemental included)

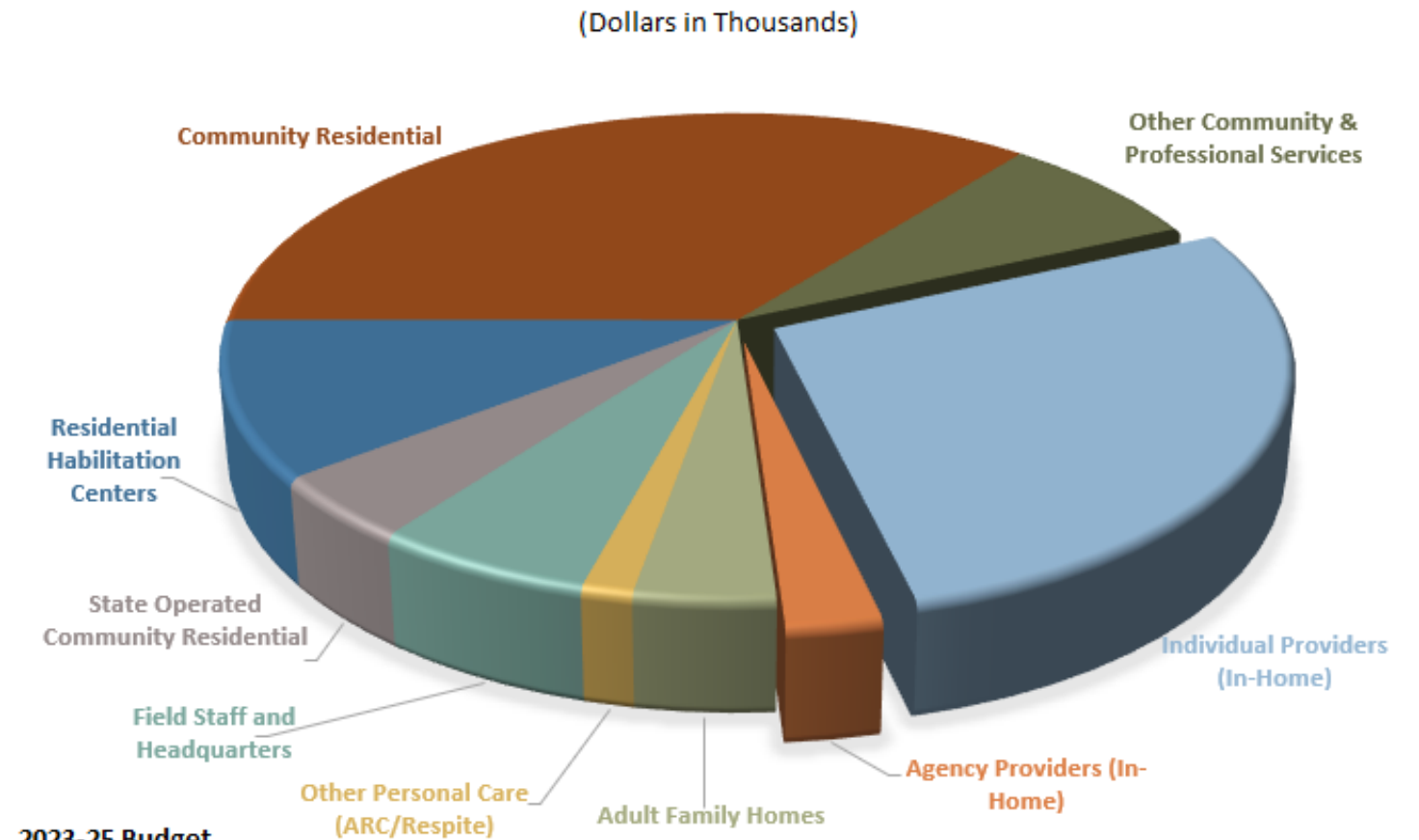
	FTEs	GF-S	Other	Total
Individual Providers (In-Home)	0.0	1,464,182	-	3,439,736
Agency Providers (In-Home)	0.0	488,061	-	1,146,579
Adult Family Homes	0.0	670,657	1,978	1,504,322
Nursing Homes	0.0	796,136	134,084	1,963,480
Community Residential (ARC/ALF)	0.0	288,592	202	621,536
Area Agencies on Aging	0.0	243,335	-	463,885
WA Cares	61.4	-	53,701	53,701
Field Staff and Headquarters	2707.7	413,274	55,301	863,936
Other Community & Professional Services	18.1	168,383	-	331,671
TOTAL	2787.1	4,532,620	245,266	10,388,845

ALSA Budget History by Fiscal Year

(Dollars in Thousands)



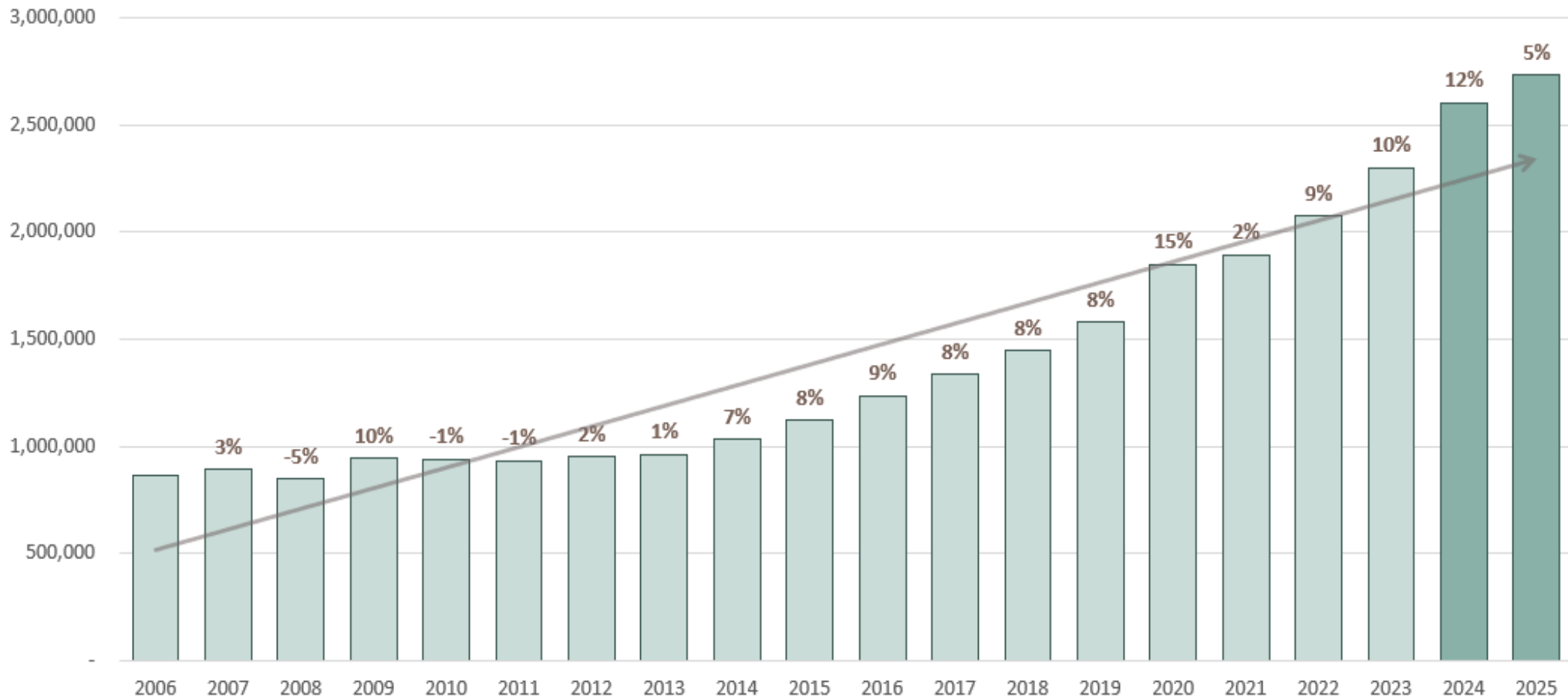
DDA 23-25 Biennium Budget Summary



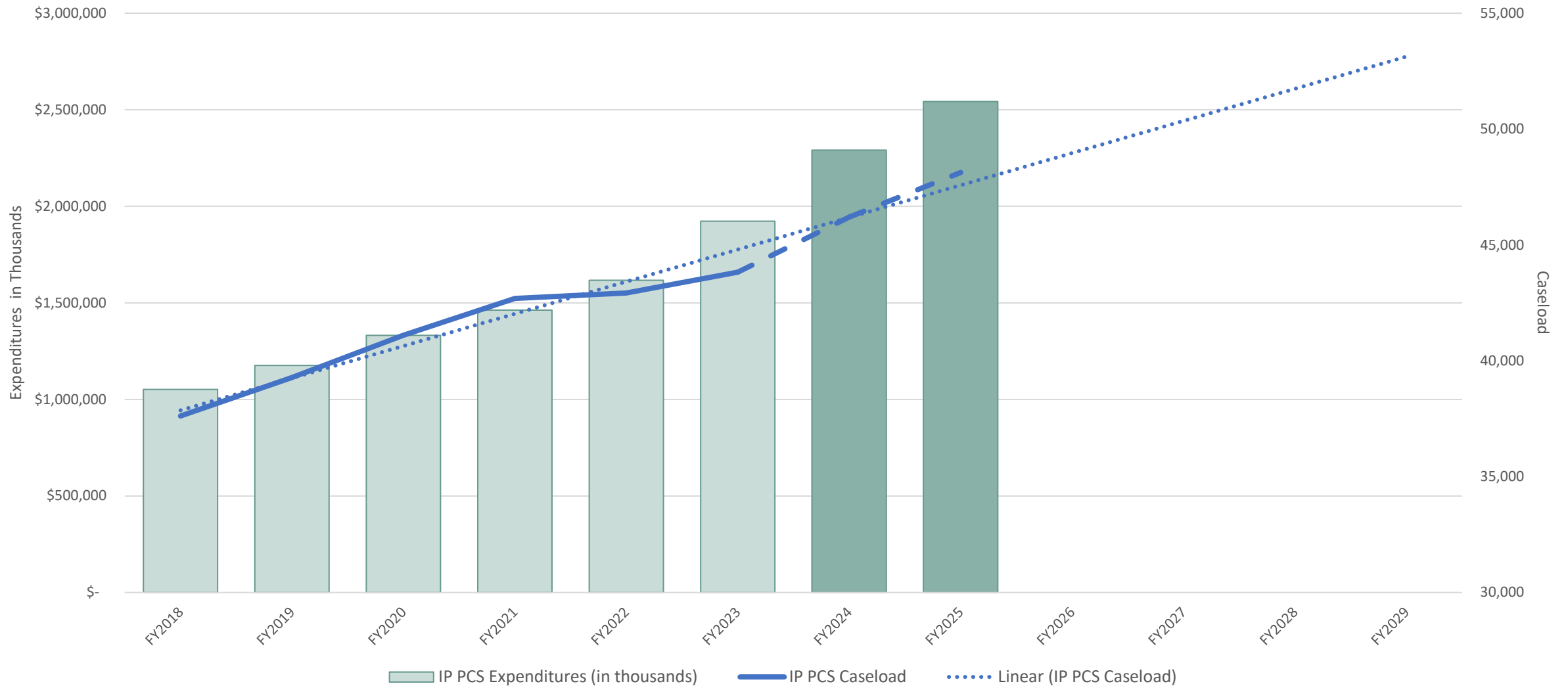
2023-25 Budget (2024 Supplemental included)	FTEs	GF-S	Other	Total
Individual Providers (In-Home)	0.0	659,473	-	1,493,317
Agency Providers (In-Home)	0.0	60,712	-	139,975
Adult Family Homes	0.0	93,087	434	206,767
Other Personal Care (ARC/Respite)	0.0	41,194	-	75,694
Field Staff and Headquarters	1230.9	183,437	-	323,473
State Operated Community Residential	1086.6	126,413	100	230,907
Residential Habilitation Centers	1948.0	279,729	19,488	554,335
Community Residential	0.0	955,363	3,524	1,904,781
Other Community & Professional Services	0.0	208,091	32,120	406,947
TOTAL	4265.5	2,607,499	55,666	5,336,196

DDA Budget History by Fiscal Year

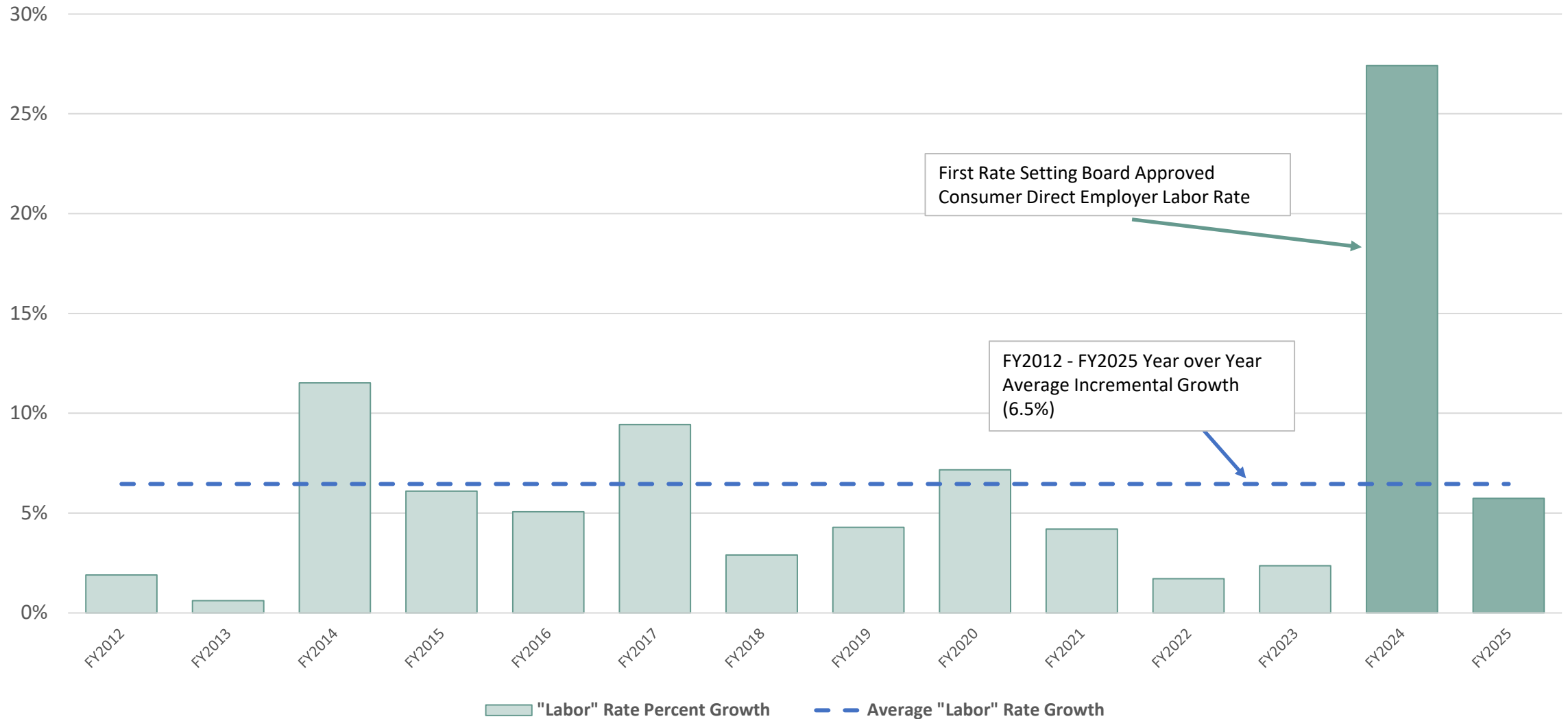
(Dollars in Thousands)



Individual Provider Personal Care Services (PCS) Caseload & Expenditures



Individual Provider Incremental “Labor” Rate Growth, Year over Year



Thank You

Jonathon G. Smith, Rates Data Administrator

Jonathon.Smith@dshs.wa.gov

TAB 4

	Washington	Private Business entities in WA and Montana	Oregon	Connecticut	Pennsylvania	Minnesota
Agreement type	Statewide agreement	Contracts are held with Private business entities	Statewide agreement	Statewide agreement	Not Unionized	Statewide agreement
Number of Represented Employees	50,000+	total not disclosed	22,000+	12,000+	Not Unionized	35,000+
Wage Range	\$20.81-\$23.63 Lowest to highest current wages based upon accumulation of hours worked	\$15.50 - \$19.50 wage scale based on accumulation of hours worked	Beginning January 2024, \$19.50 Beginning July 2024, \$19.50-\$23.50 wage scale based on accumulated hours worked	\$18.25 No Range, incremental increase in minimum pay	Wages range \$12.55 to \$17.84 based on employer	<ul style="list-style-type: none"> • Effective 01/01/2024 minimum hourly rate is \$19.00 • Effective 01/01/2025 minimum hourly rate is \$20.00
Differential Pay (per hour)	<p>HCA Certification: \$0.25</p> <p>Advanced Training: \$0.25</p> <p>AHCAS: \$0.75</p> <p>Individual providers shall be compensated an additional fifteen (15) minutes per pay period for the purposes of recording and submitting timesheets.</p>	Varies based on contract with each private entity	<p>OHCC Certification \$0.75</p> <p>CPR/First Aid \$0.25</p> <p>Enhanced Hourly \$1.00</p> <p>Job Coaches \$2.50 the \$0.50 PDC Differential to be combined with the Enhanced and Job Coach Differentials (but not Exceptional and VDQ)</p>	No pay differential provided	No pay differential provided	Enhanced Rate: 7.5% rate increase to those who work with clients that require at least 10+ hours of assistance each day.

	Washington	Private Business entities in WA and Montana	Oregon	Connecticut	Pennsylvania	Minnesota
			<p>Ventilator Care \$3.00 (For awake staff 24 hours per day)</p> <p>Exceptional Care \$3.00 (For awake staff more than twenty (20) hours in a twenty-four (24-hour period)</p>			
Healthcare Benefits (Employer contribution)	<p>As per the 2022 Rate Setting Board</p> <p>Effective July 1, 2023 \$4.13 per hour worked</p> <p>Effective July 1, 2024 \$5.22 per hour worked</p>	Varies based on contract with each private entity	<p>All premiums paid via state tax funded trust. Eligibility is based on hours worked.</p> <p>Work 40 or more hours a month of eligible working hours - also known as bargaining unit hours - for two months in a row. There is then a one month waiting period while your hours are reported to the Benefits Administrative Office.</p>	No coverage	No coverage	No coverage
Retirement	<p>\$0.50 per hour for CCH 1-700</p> <p>\$0.80 per hour for CCH 701-6,000</p>	Varies based on contract with each private entity	Automatic 5% contribution via payroll deduction	None	None	None

	Washington	Private Business entities in WA and Montana	Oregon	Connecticut	Pennsylvania	Minnesota
	\$1.00 per hours for CCH over 6,001					
Paid Time Off	Effective July 2024: 1 hour for every 23 hours of work 140 hour cap	Varies based on contract with each private entity	1 hour of PTO for every 20 hours worked, maximum of 4 hours every month, 48 hours a year	As of December 2022: Up to a maximum of 40 hours per year can roll over up to 80 hours per year	None	Accrue one (1) hour of PTO for every thirty (30) hours worked
Paid Holidays	Effective July 1, 2022, <ul style="list-style-type: none"> • New Year’s Day • Independence Day <p>paid at 1.5 times normal pay rate for the first 8 hours worked</p>	Varies based on contract with each private entity	Effective January 2024 <ul style="list-style-type: none"> • Memorial Day • Independence Day • Labor Day • Thanksgiving • Christmas Day <p>paid at 1.5 times normal pay rate for the first 8 hours worked</p>	Holidays at 1.5 times normal pay rate: <ul style="list-style-type: none"> •New Year’s Day •Rev. Dr. Martin Luther King Jr. Day •Memorial Day •Juneteenth •Independence Day •Labor Day •Thanksgiving •Christmas 	None	Holidays at 1.5 times normal pay rate: <ul style="list-style-type: none"> •New Year’s Day •Rev. Dr. Martin Luther King Jr. Day •Memorial Day •Juneteenth •Independence Day •Labor Day •Veterans Day •Thanksgiving <p>Effective 10/01/2021 the following are added: <ul style="list-style-type: none"> • Floating Holiday (two) </p>
Paid Training Time? Tuition Paid for?	Paid Training Time: Yes Tuition: Yes	Varies based on contract with each private entity	Paid Training Time: Yes Tuition: Yes	Paid Training Time: No Tuition: Yes (PCA Training Program limited to 25 students per year)	None	Paid Training Time: No Tuition: Yes \$100 stipend will be paid to Individual Providers who complete designated, voluntary Orientation

	Washington	Private Business entities in WA and Montana	Oregon	Connecticut	Pennsylvania	Minnesota
				Required orientation: 3hrs- each eligible PCA who completes the class shall receive a stipend of \$48		\$500 stipend will be paid to Individual Providers who complete designated, voluntary trainings
Mileage Reimbursement?	<p>Yes: Max of 110 Miles</p> <p>Reimbursed at Fed rate (varies) Home care workers providing transportation to services funded by the Home and Community Based Services (HCBS) waivers, the DDA Individual and Family Services Program, or the Veteran's Directed Home Services and identified in the consumer's Individual Support Plan, in excess of the above maximum per month, will be reimbursed up to an additional maximum authorized by the case manager</p>	Varies based on contract with each private entity	<p>Reimbursed at \$0.56 per mile</p> <p>Reimburse actual cost incurred for parking (for instance when a consumer lives in downtown Portland and free parking is not available)</p> <p>Reimburse actual cost incurred for preauthorized public transportation when needed to accompany a consumer</p>	None	None	None

TAB 5



Washington State
Department of Social
& Health Services

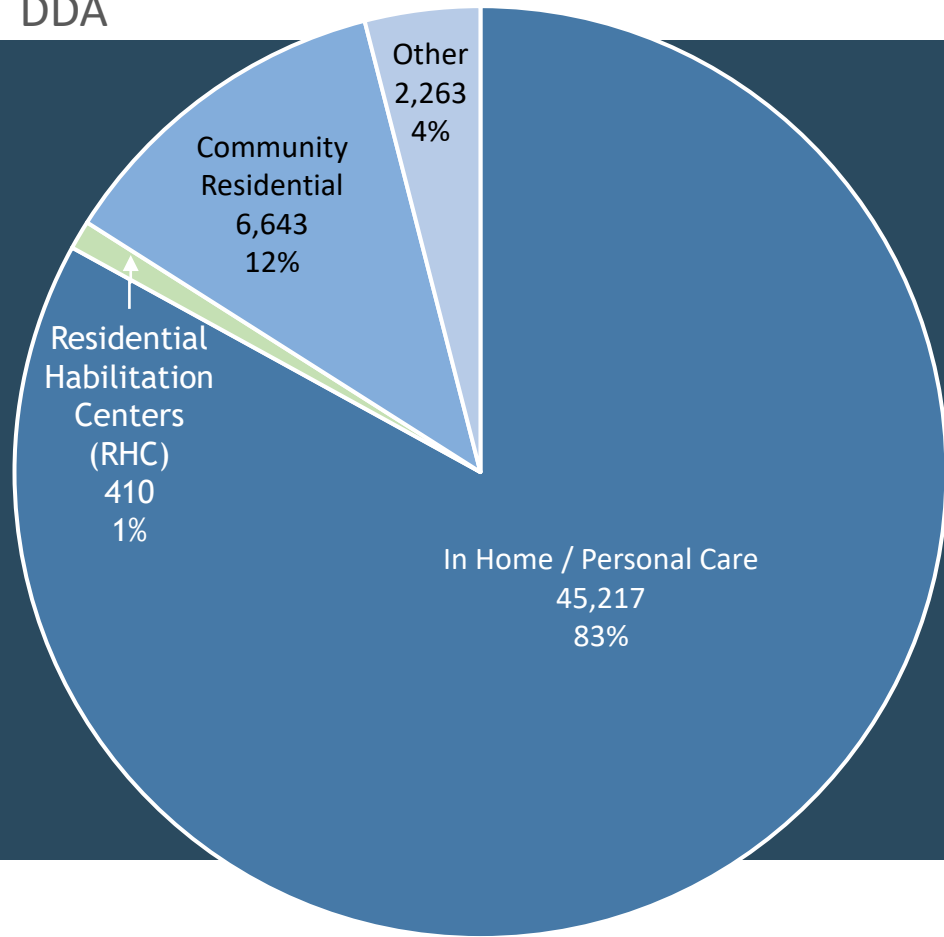
Transforming lives

DDA and ALTSA

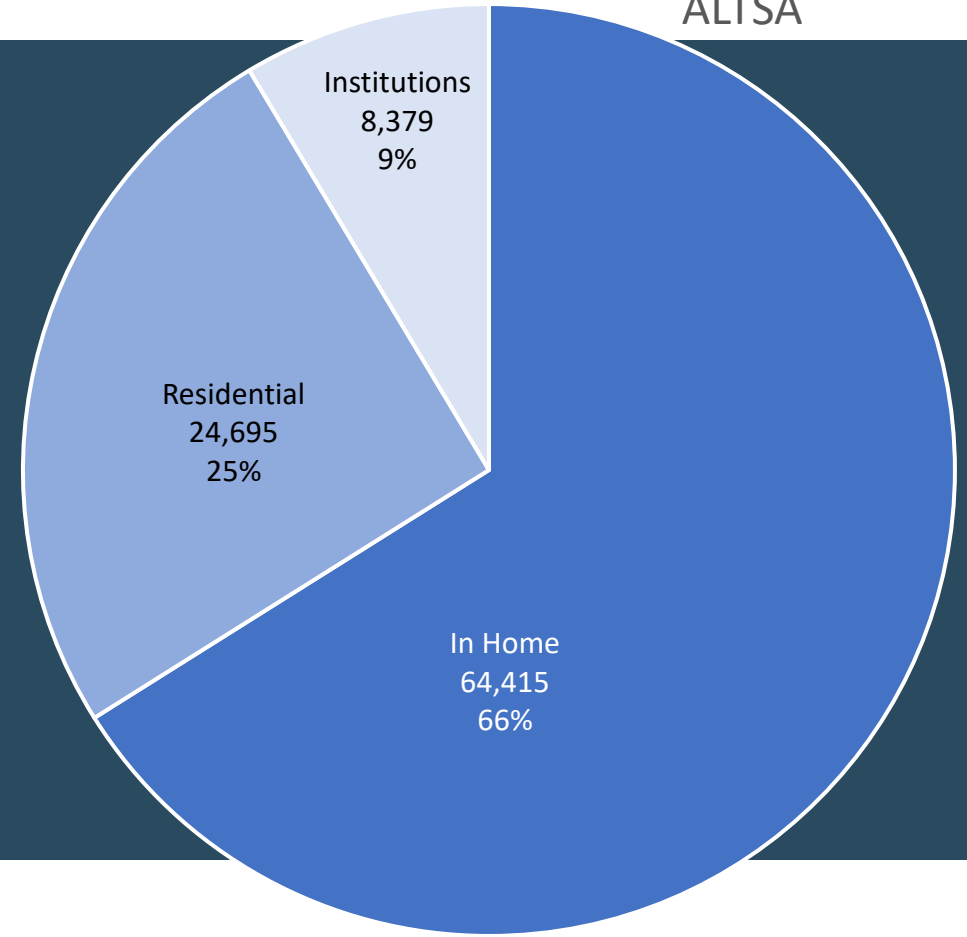
Evolving Service Population

Jaime Bond, Director of Field Services
Developmental Disabilities Administration

DDA

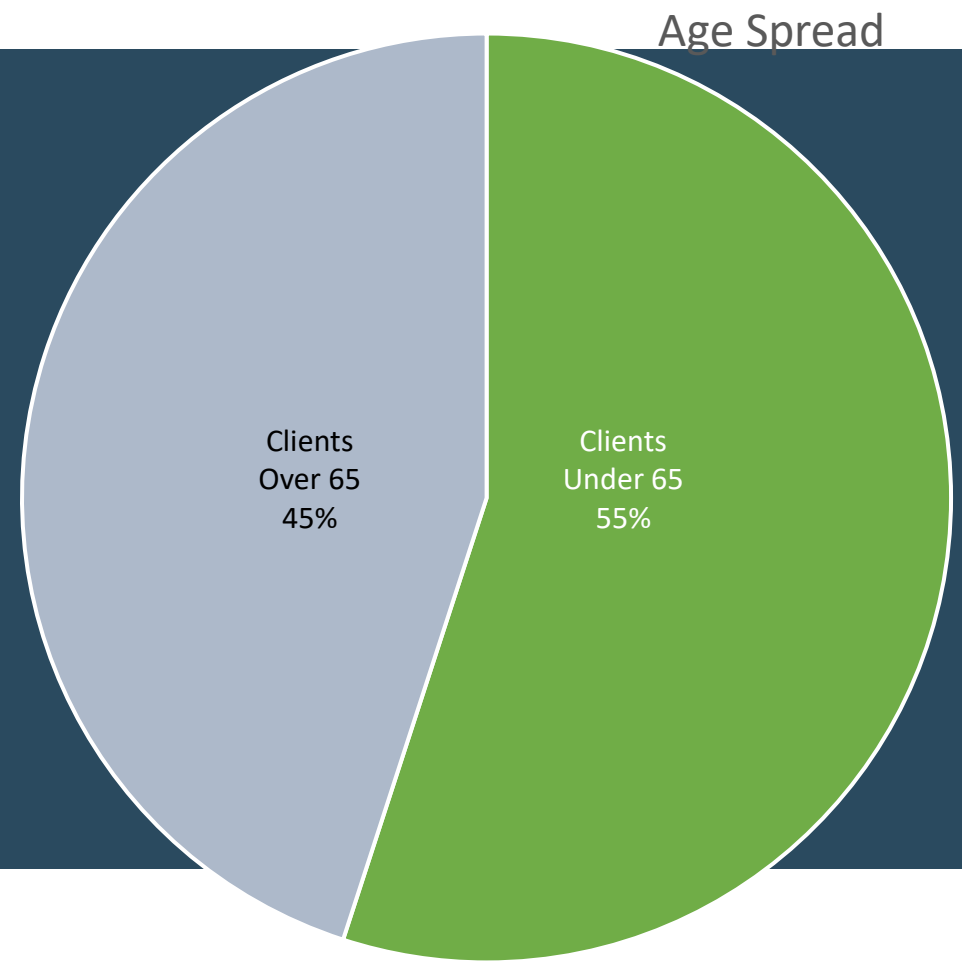
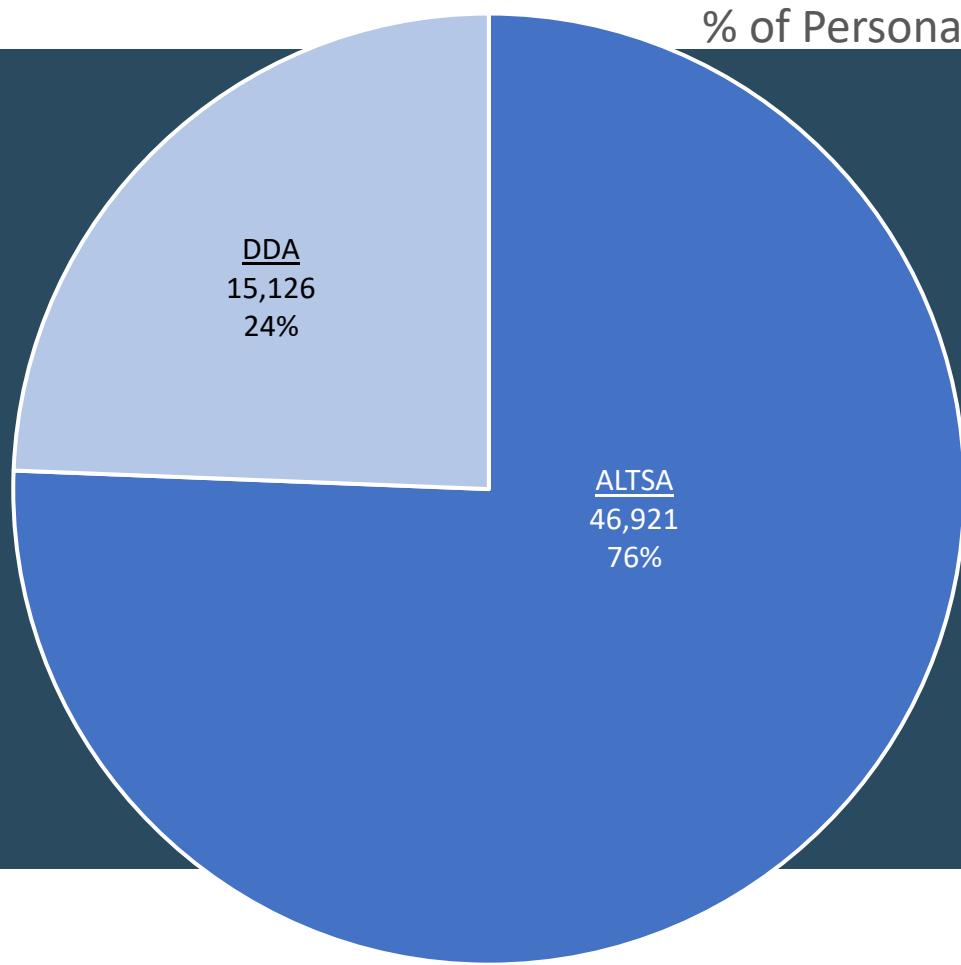


AL TSA



DDA and AL TSA Service Populations

Almost all clients served in DDA are under age 65; in AL TSA, 40% of clients are under age 65, and 60% are 65+



DDA and AL TSA In Home Caseloads

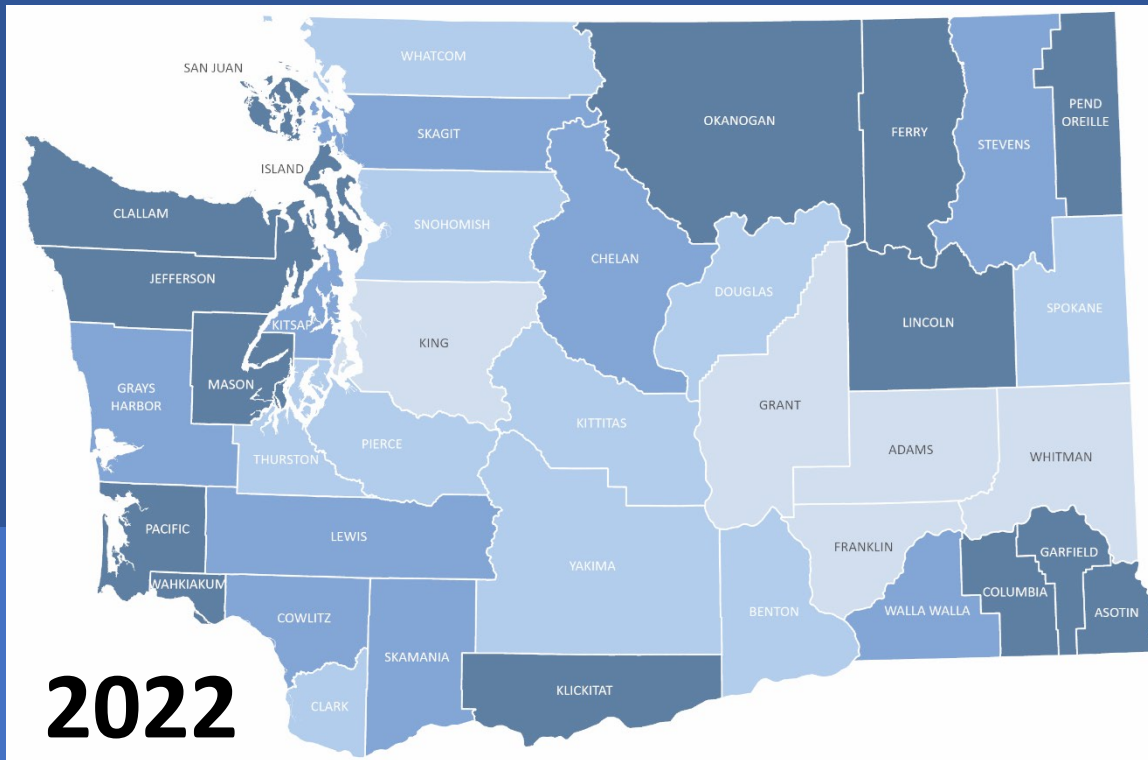
Almost all clients served in DDA are under age 65; in AL TSA, 40% of clients are under age 65, and 60% are 65+

Washington's Population is Aging

The state's elderly population is increasing dramatically.

Washington's 65+ population increased by 63%, from about 828,000 in 2010 to 1.35 million in 2022.

17% of Washingtonians were 65+ in 2022

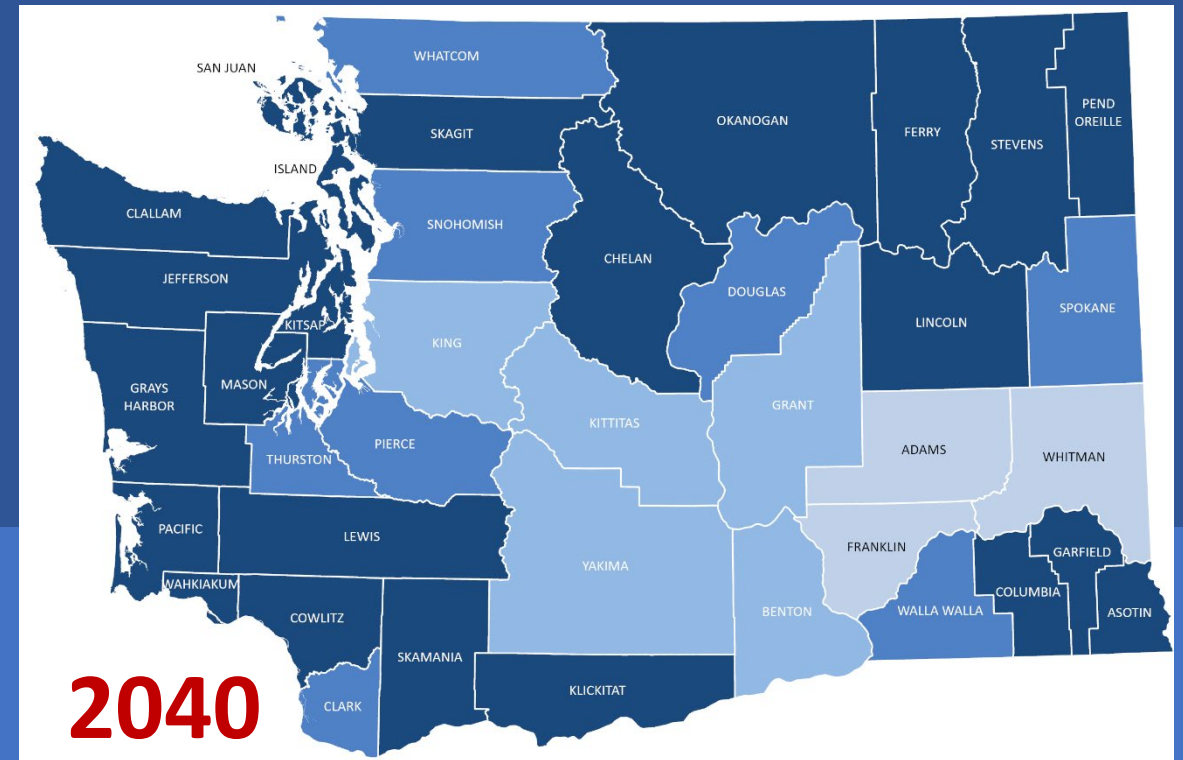


2022

[The Seattle Times: WA's population is aging.](#)

22% of Washingtonians will be 65+ by 2040.

The 85+ population will triple.



2040

[State Population Forecast: 2010-2040 Presentation \(wa.gov\)](#)

PERCENT OF SENIORS AGE 65+

Less than 10%

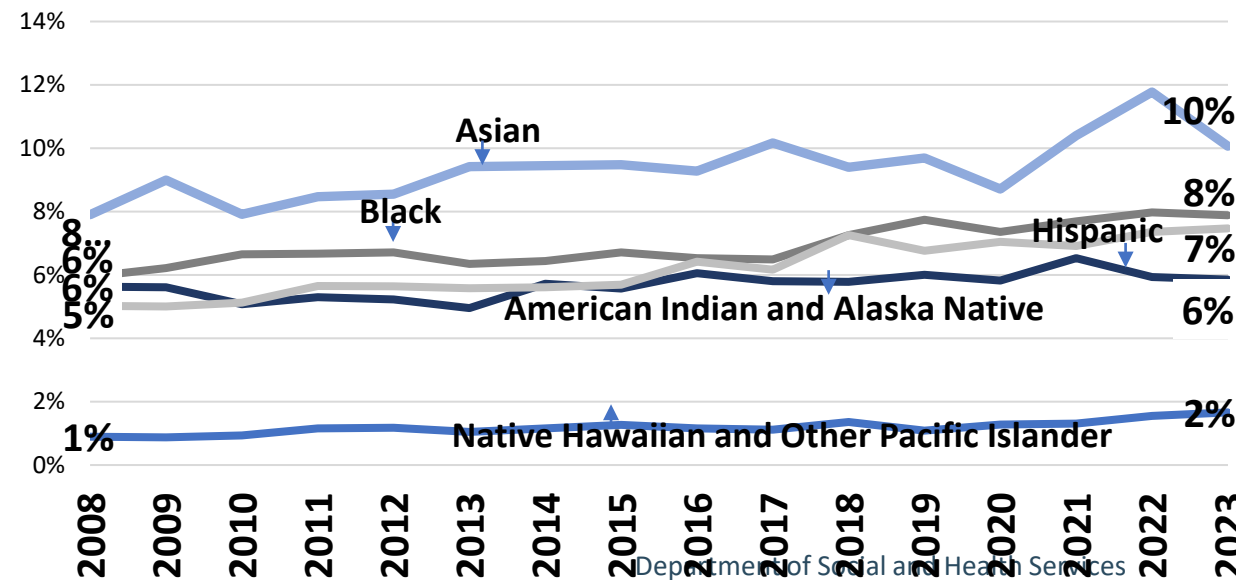
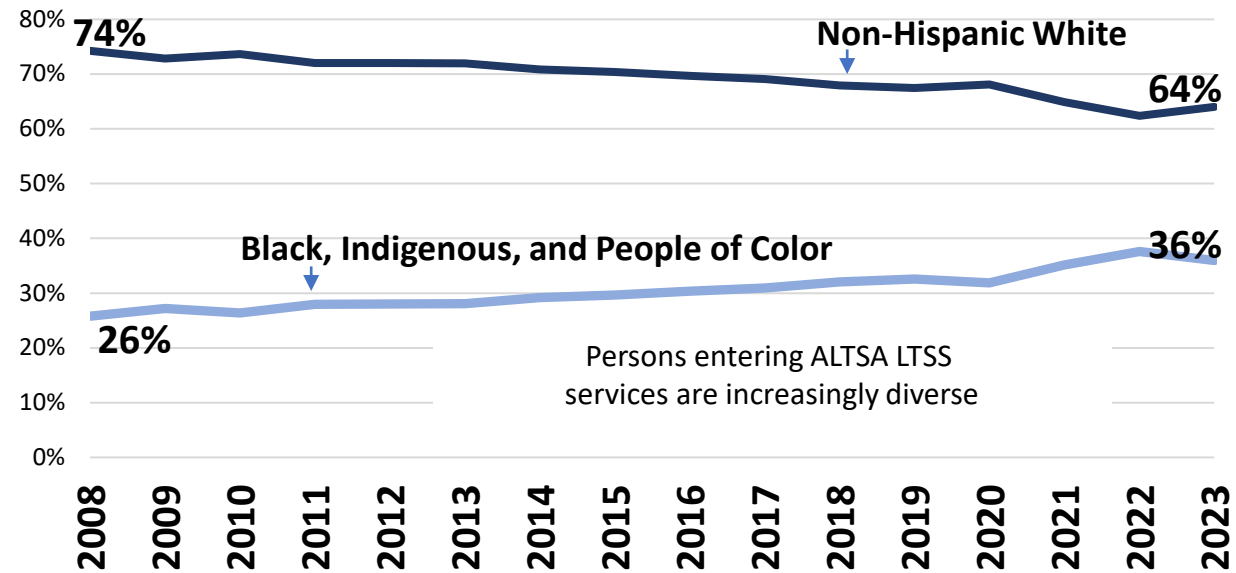
10.1% to 15%

15.1% to 20%

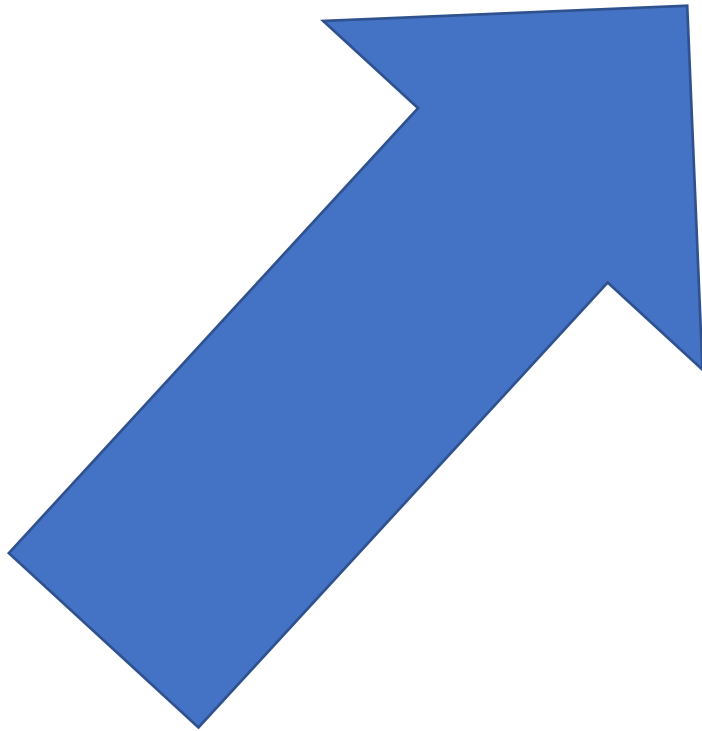
20.1% to 25%

More than 25%

Service
Population
diversity is
growing.



Individuals with Qualifying Developmental Disabilities Increasing

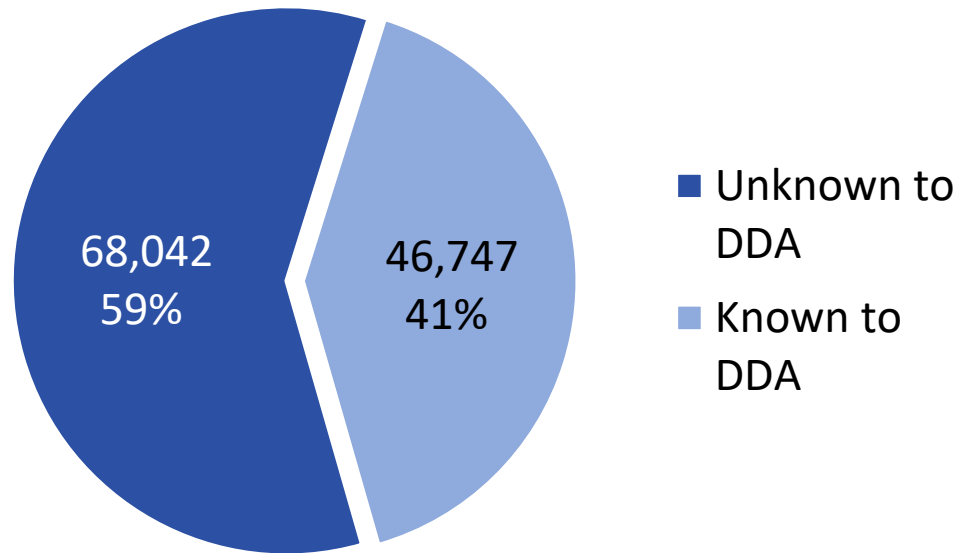


Washington is experiencing **15%** annual growth in the number of people who qualify as developmentally disabled.

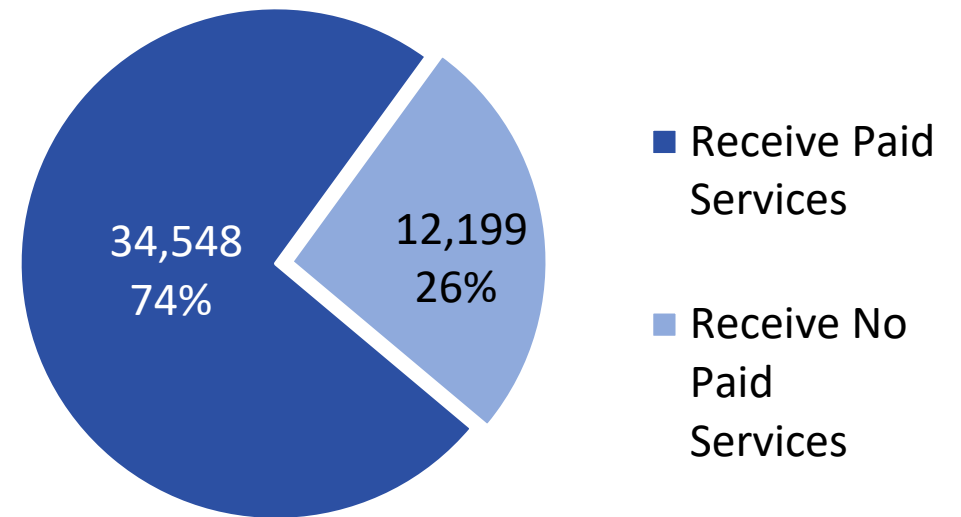
Numbers are expected to increase with elimination of IQ as an eligibility factor by July 1, 2025 under RCW 71A.16.020.

Washington's Population of Individuals with Developmental Disabilities

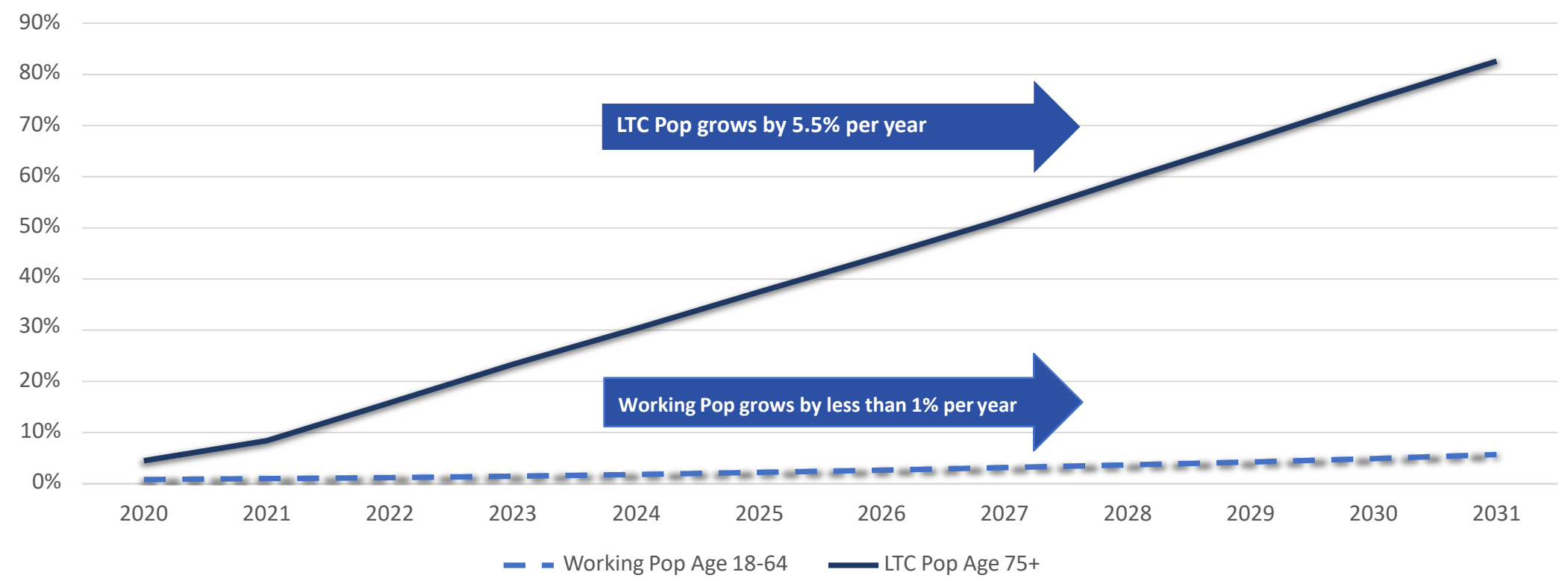
Individuals with Developmental Disabilities



Those Enrolled with DDA



Potential Demand for Long-Term Care Population Compared With Growth in the Working Age Population





How are client demographics changing?

2002-2023

Client changes over time impacting both administrations



New populations accessing services



Increasing diversity



Increasing population of clients with complex needs



Increasing volume

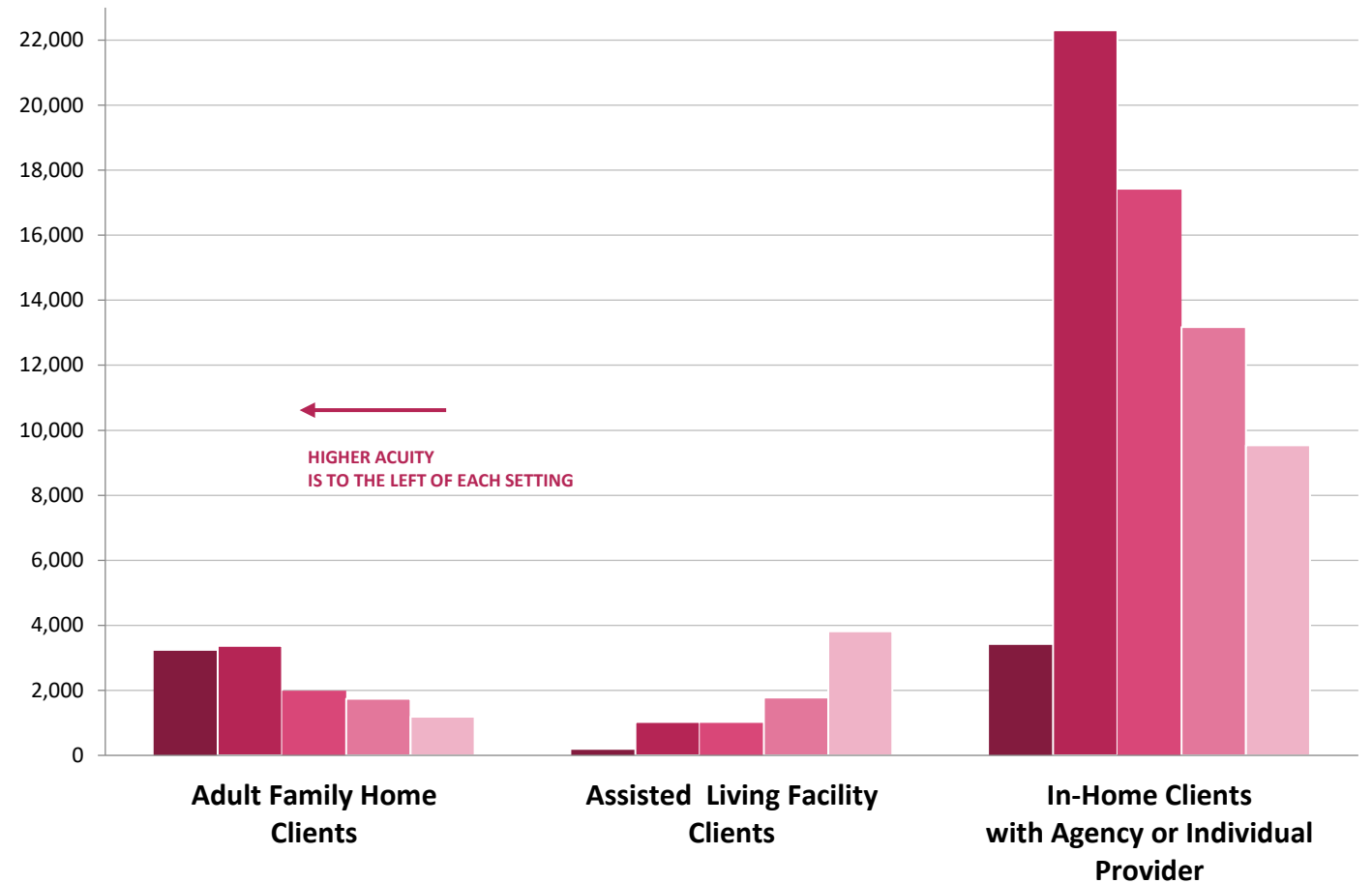
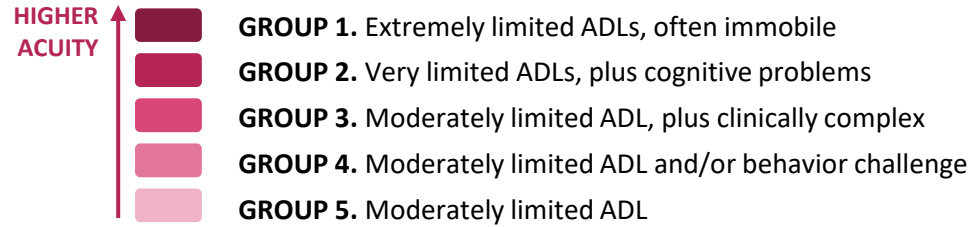
Chronic Health Conditions



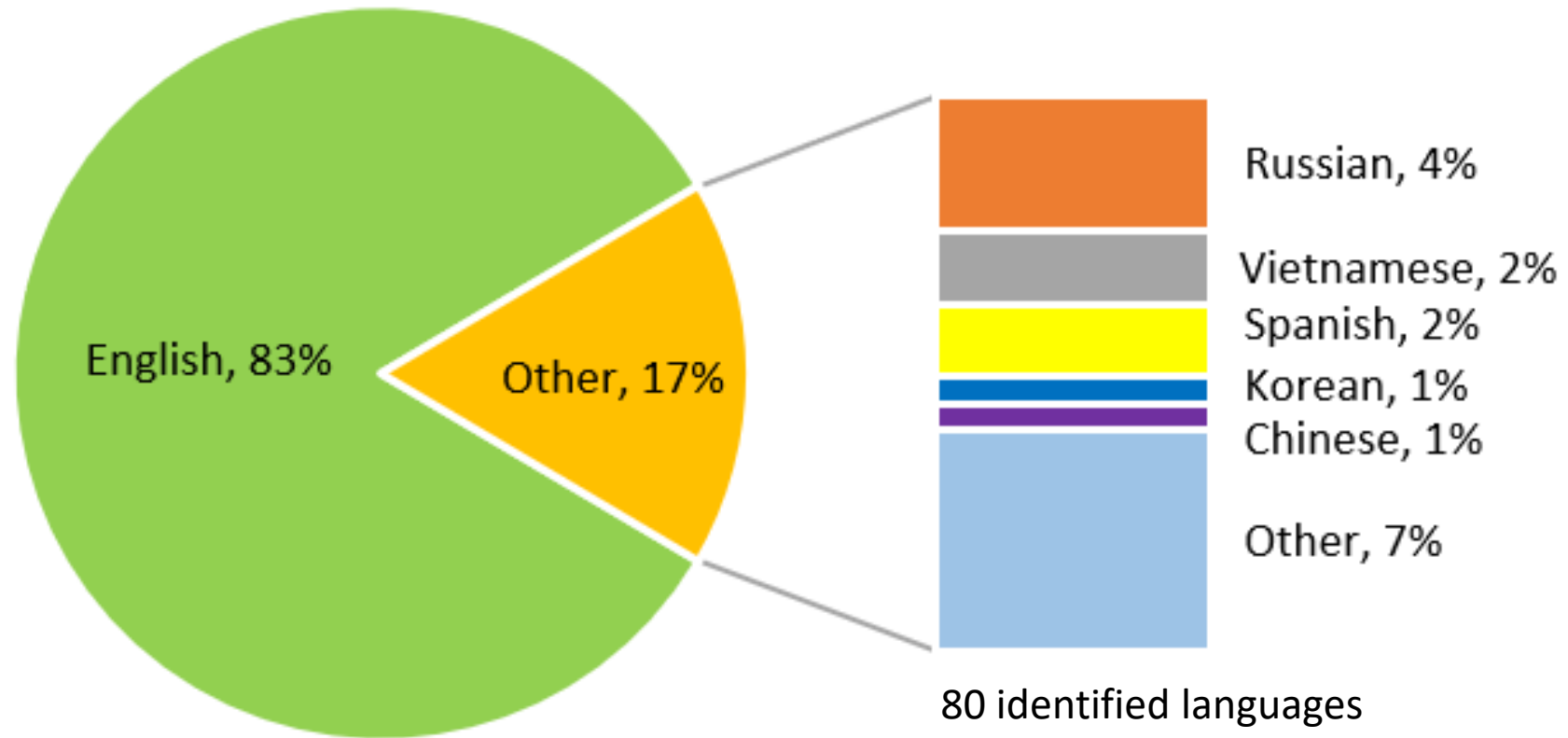
The average ALTSA in-home services client experiences 5 to 6 chronic health conditions.

High Acuity Clients are Served in All Community Settings

Number of Clients by CARE Assessment Acuity Group



Reported Limited English Proficiency Across IP Population





How are diagnostic trends changing?

People Accessing Long-Term Care Have Multiple Chronic Conditions, Diverse Needs



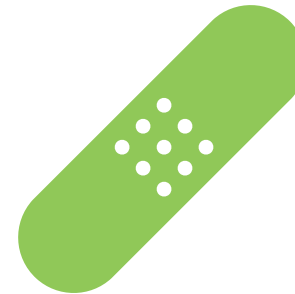
1 in 7 have a mental health diagnosis



1 in 4 have dementia diagnosis



1 in 3 have an intellectual or developmental disability



Average person has five chronic conditions diagnosed in the past year

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%

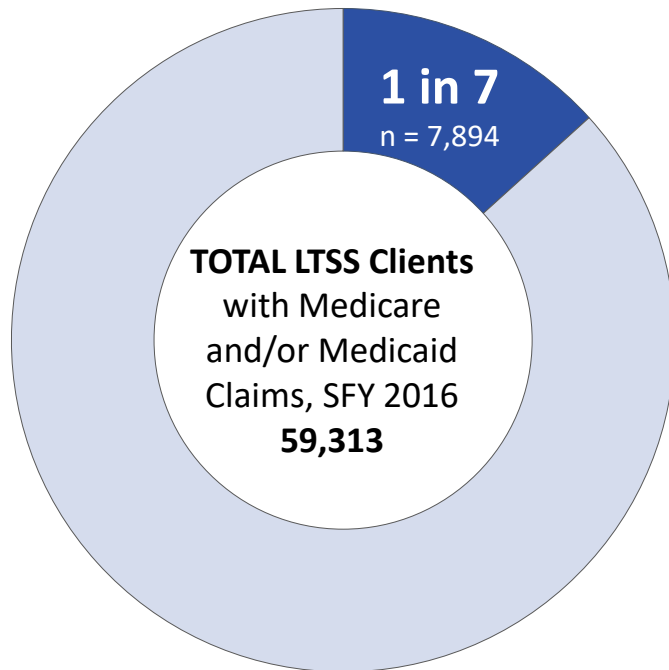
*As of August 13, 2018, clinical eligibility for the Medically Intensive Children's Program is no longer a separate eligibility category.

Prevalence of Common Conditions among ALTSA Clients

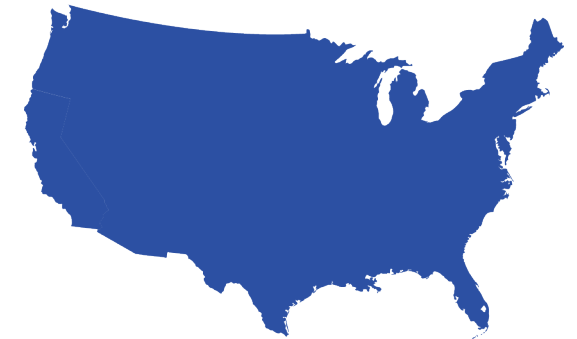
Condition	Percentage of Clients with Diagnosis
Hypertension	63%
Depression	45%
Anxiety disorder	29%
Diabetes – non-insulin dependent	21%
Chronic Obstructive Pulmonary Disease (COPD)	17%
Diabetes – insulin dependent	15%
Stroke	13%
Dementia other than Alzheimer’s disease	13%
Congestive heart failure	12%
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



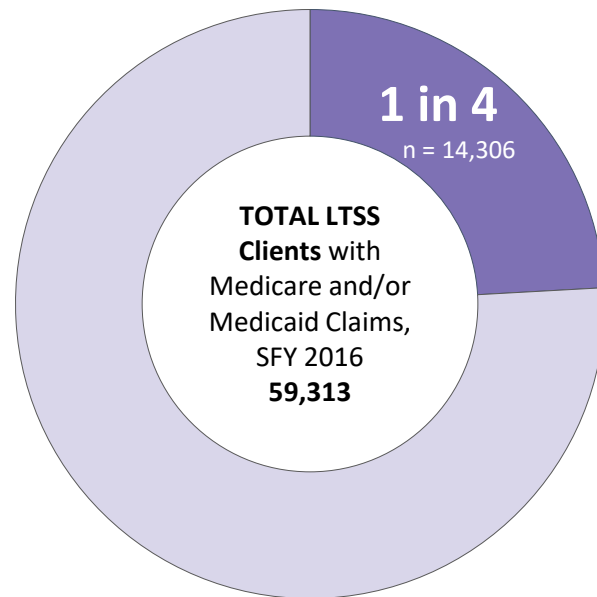
This represents **4.5%** of the U.S. Population

- 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%).

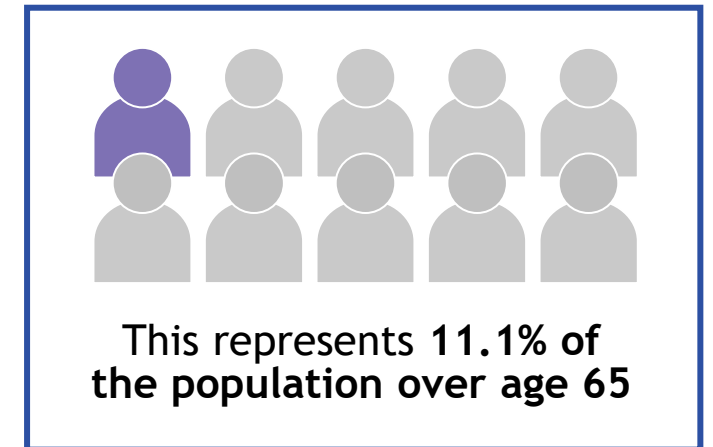
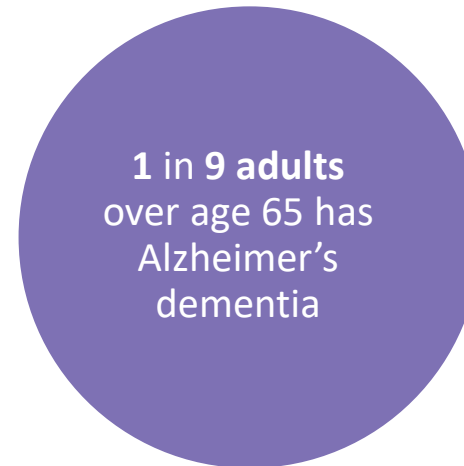
SOURCE: State data: DSHS Research and Data Analysis Division, Integrated Medicare and Medicaid claims, SFY 2016. (Note: Psychotic Disorders are a subset of SMI. Total SMI numbers in WA are likely higher than 1 in 7). National data: <https://www.nimh.nih.gov/health/statistics/mental-illness.shtml> (Note: 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



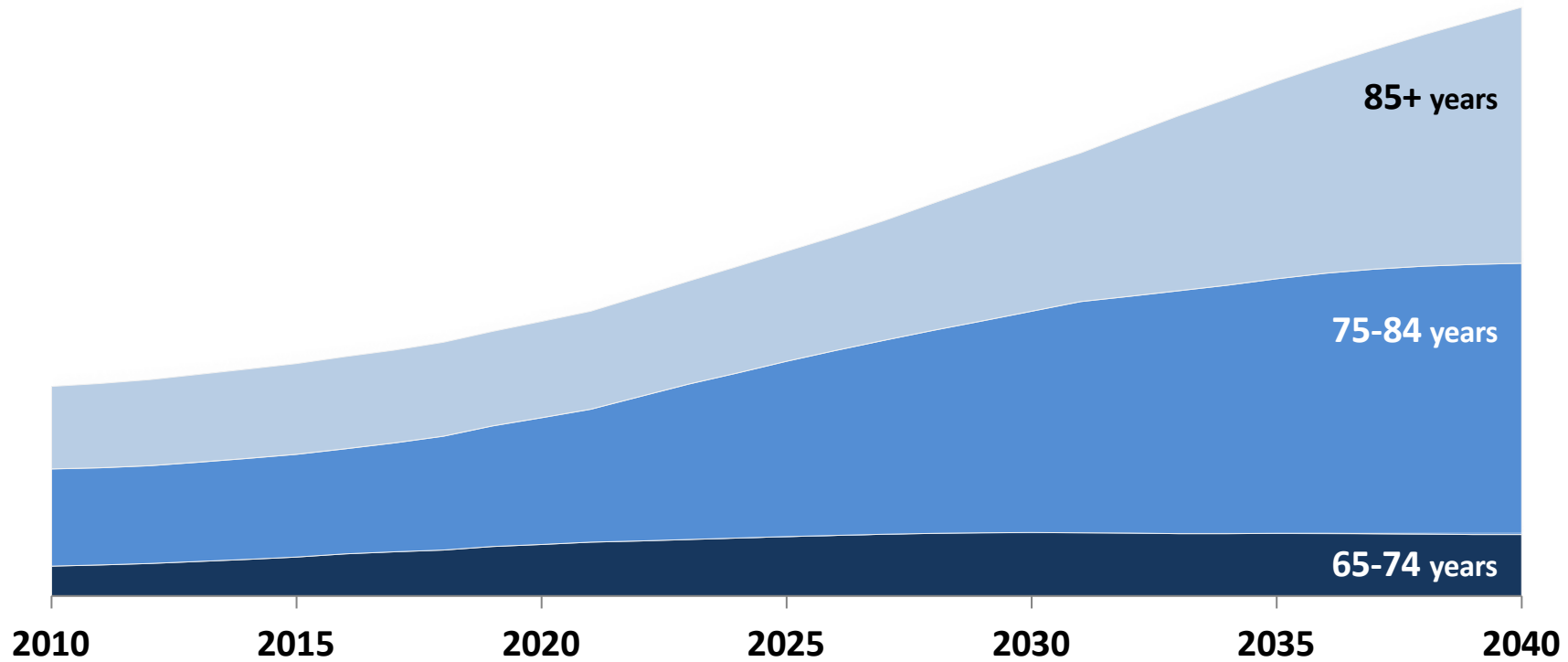
Prevalence of Alzheimer's Dementia Nationally



- 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

Projections of Alzheimer's Dementia in Washington State, 2010-2040

Synthetic projections using national prevalence rates from Hebert *et al* (2013)



	2010		2020		2030		2040	
	NUMBER	PREVALENCE	NUMBER	PREVALENCE	NUMBER	PREVALENCE	NUMBER	PREVALENCE
65 -74 years	13,717	3.0%	23,600	3.1%	29,180	3.3%	28,187	3.4%
75 - 84 years	44,561	17.6%	58,251	16.7%	101,581	17.2%	124,500	18.0%
85+ years	37,879	32.3%	44,121	32.2%	65,255	32.9%	117,535	34.6%
Total 65+	96,156	11.6%	125,973	10.1%	196,015	11.7%	270,222	14.5%

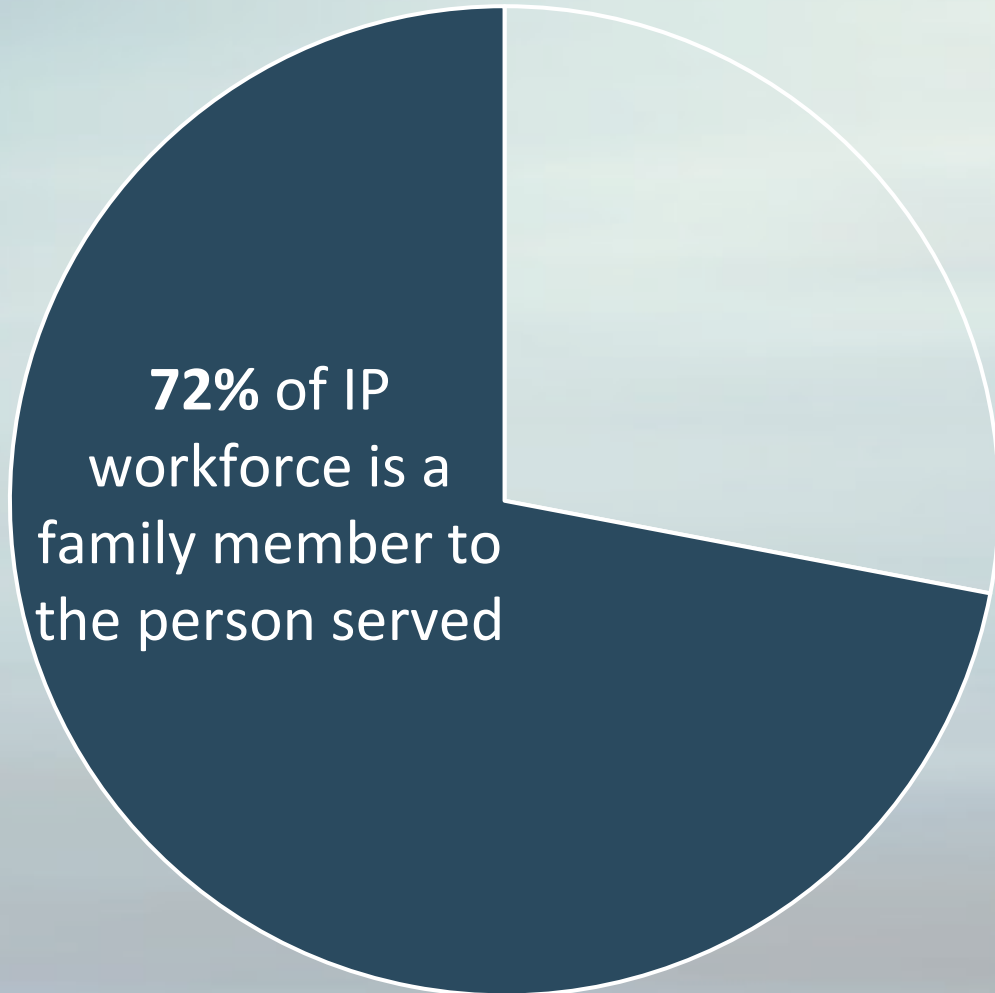
SOURCES: Total Population 65 and Over, by Age: Washington State Office of Financial Management, Forecasting and Research Division. Forecast of the State Population by Age and Sex: 2010-2040. Nov. 2013. National Prevalence of Alzheimer's Dementia for Persons 65+, by Age: Hebert L.E., Weuve J., Scherr P.A., and D.A. Evans. Alzheimer disease in the United States (2010–2050) estimated using the 2010 census. Neurology May 7, 2013 80:1778-1783.

Department of Social and Health Services



Looking Ahead

Family members are large part of self-directed workforce



□ Family Members ■ 2nd Qtr □ 3rd Qtr ■ 4th Qtr



Reimagining Care



Remote service delivery and monitoring



Assistive technology to support human assistance



Higher cognitive, behavior, and substance use disorder needs



Increased funding resources impact preferences



Implement support systems for caregivers

Thank you.

Contact:

**Jaime Bond, Director of Field
Services, DDA**

Jaime.bond@dshs.wa.gov



Washington State
Department of Social
& Health Services

Transforming lives

TAB 6

“A shared vision for Washington’s **long-term care system**”

Prepared for the Consumer Directed Employer Rate Setting Board

April 2024

Sterling Harders

She/Her | SEIU 775 President

A shared vision of our **long-term care system**



- Where seniors and people with disabilities can truly **access care and services** in their own homes and communities.
- Where caregivers are treated as the **professionals** they are.
- Where caregivers don't just barely make ends meet but have real **economic security**.

2022 Rate Setting Board accomplishments



- More than **1,500 kids** have affordable health care through the Benefits Trust
- Meaningful, but not sufficient, wage increases
- Modest increases to PTO, fewer unreimbursed miles
- Not a one-year project

The work continues... **current issues**



1. **More clients are receiving less care than they need** because it is getting more challenging to hire and retain caregivers.
2. Caregivers continue to **struggle to make ends meet.**

Factors the RSB is directed to consider:

Cost of living

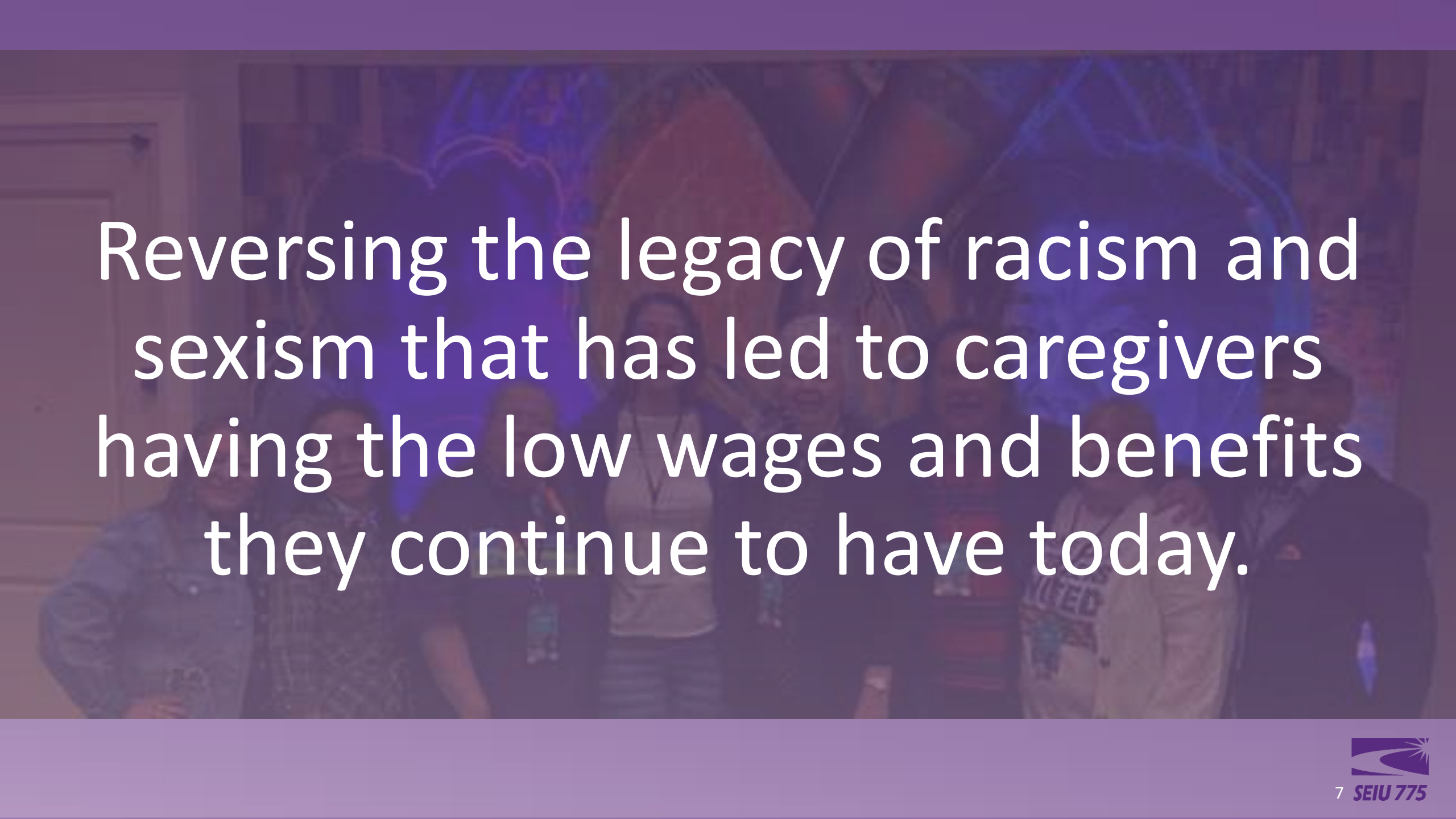
Economic comparability

Stable workforce:
recruitment &
retention

We need a rate that...

- Increases **real wages**
- Continues to make progress towards a **living wage**
- Provides for a wage that ensures an **adequate and stable workforce**
- Makes affordable benefits **reliable** and starts us down the path towards **full family health coverage**
- Allows for improvements to the **retirement benefit**
- Expands **normal employment benefits** for caregivers.



A group of people, likely at a protest or rally, with their arms raised in the air. The image is overlaid with a semi-transparent purple filter. The text is centered over the image.

Reversing the legacy of racism and sexism that has led to caregivers having the low wages and benefits they continue to have today.



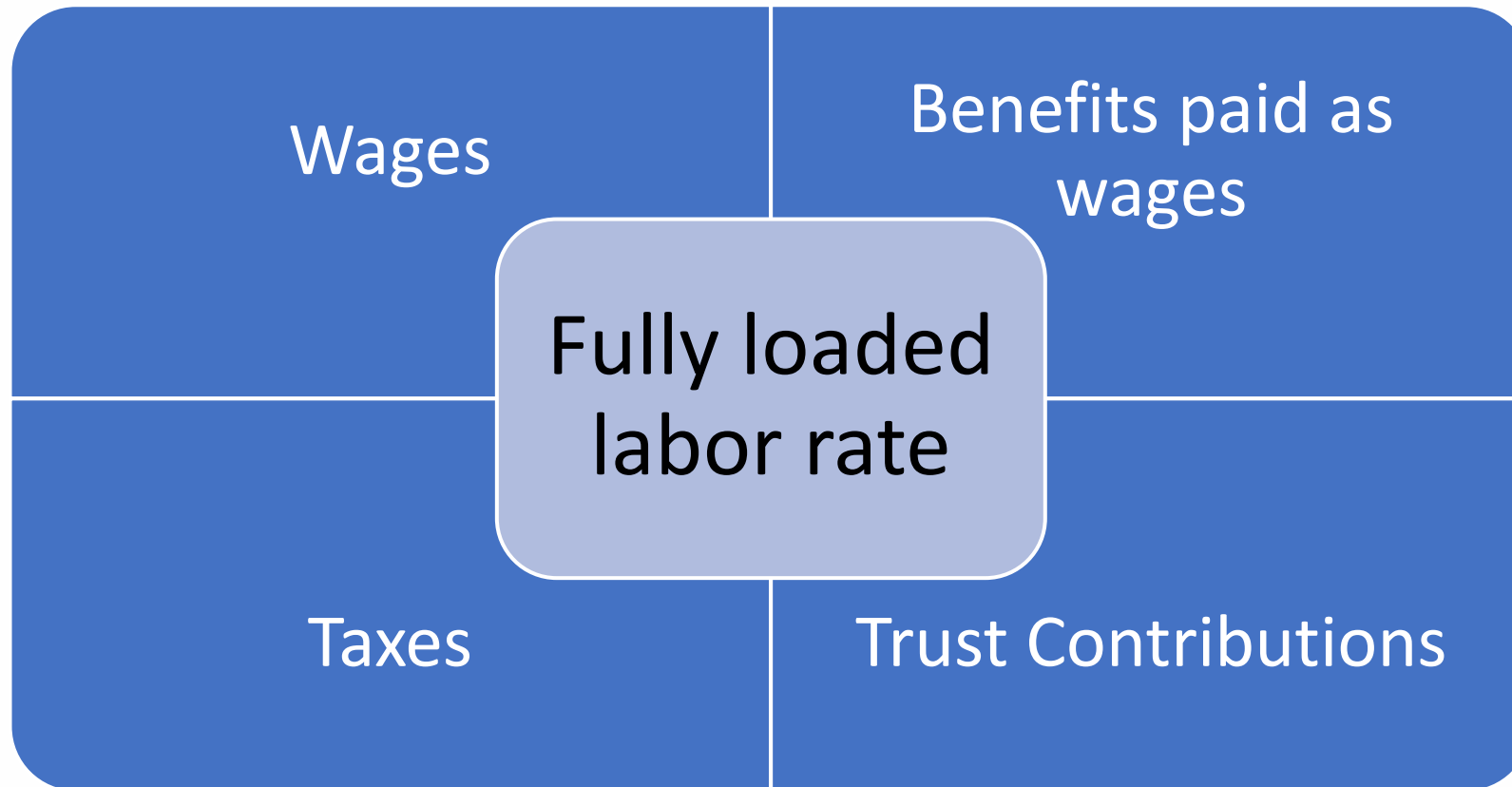
TAB 7

Review of Overall CDE Rate Structure

Sonya Declet, CDE Program Unit 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)*

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

CDE - Administrative Rate Components

After 2022 RSB, comprised of Four 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
- Change Order – used for system changes required by law or policy changes
- Business & Occupation Tax reimbursement – paid to CDWA and then returned to the state via Department of Revenue tax

TAB 8

Understanding Home Care Agency Rates

RCW 79.39A.310

Susan Engels, Office Chief State Unit on Aging, ALTSA

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 required a formula to consider changes to wages, benefits and taxes/premiums aligned with the IP collective bargaining agreement.
- In 2020, the statute was revised to include transition to a Rate Setting Board.

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 Reciprocity
- The RSB Labor Rate does not call out components like the IP CBA between the State and SEIU did, so DSHS less prescriptive.
- Like all state budgeting, increases to the AP rates have been incremental changes over time rather than using a zero-based system that defines and re-sets base components when changes are made.

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
- COVID rate enhancements are phased to expire completely as of June 30, 2024

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.
- A percentage is added to cover when the agency must pay their employee but could not bill the time.
- Some examples are personnel time, frequent windshield time, and “no shows”.

Other Compensation

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

Additional Components

- Not part of the Parity Statute, but sometimes allocated by the legislature
 - Electronic Visit Verification funding
 - Vendor Rate Administration
 - Personal Protective Equipment (PPE)
- Historical amounts were carried forward in the general “base”, prior to incremental changes to Labor and Admin rates of the RSB

TAB 9

Transforming
Lives

Consumer Directed Employer (CDE) Rate Setting Board (RSB)

Meeting #2 | **Agenda** | April 24, 2024

Blake Office Park West 4450 10th Avenue SE, Lacey

Roosevelt & Chelan Rooms

9:00 am – 3:00 pm



Agenda overview, 9:00 – 3:00

- Welcome and introductions
- Foundational information
- Break
- Remarks
- Lunch
- Foundational information

Welcome and introductions

Facilitator, Chair

- Welcome and introductions
- Purpose/meeting overview
- Approval of the minutes from 4/22/2024

Foundational information

DSHS

- Emerging population growth
- IP Historical funding
- Comparison of states' investments in workforce

Emerging Population Growth

Jaime Bond, Director Field Services

Developmental Disabilities Administration, DDA



Washington State
Department of Social
& Health Services

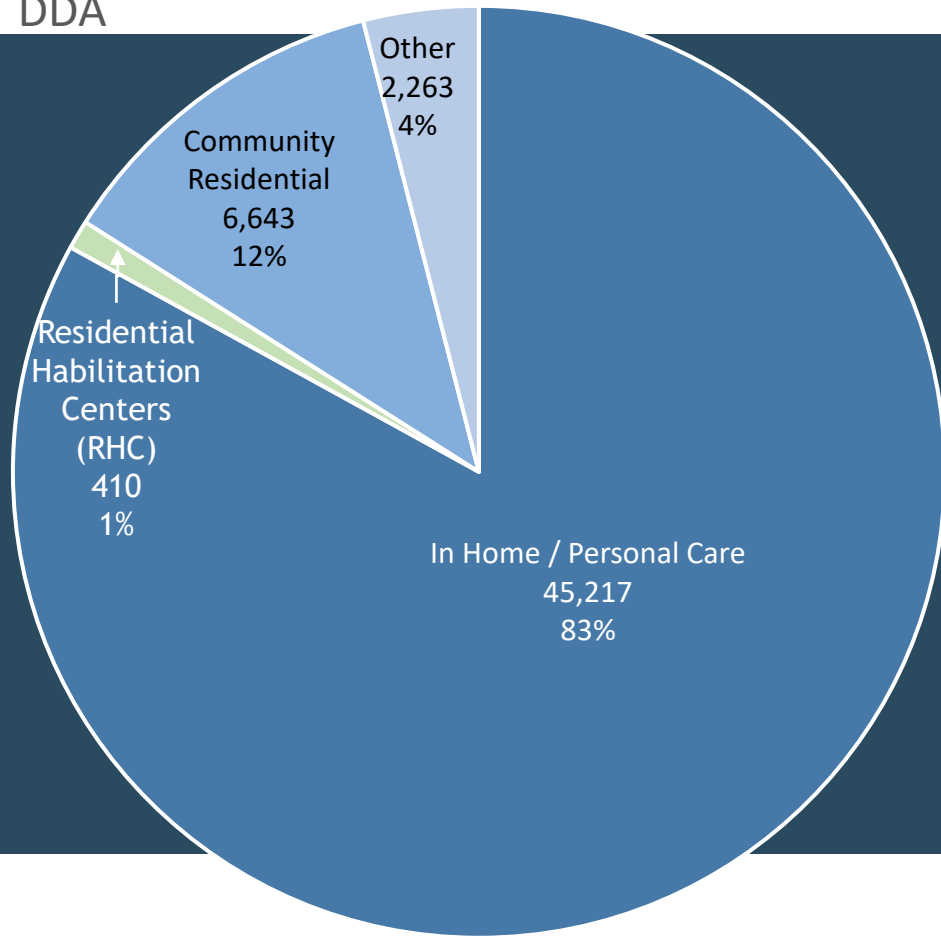
Transforming lives

DDA and ALTSA

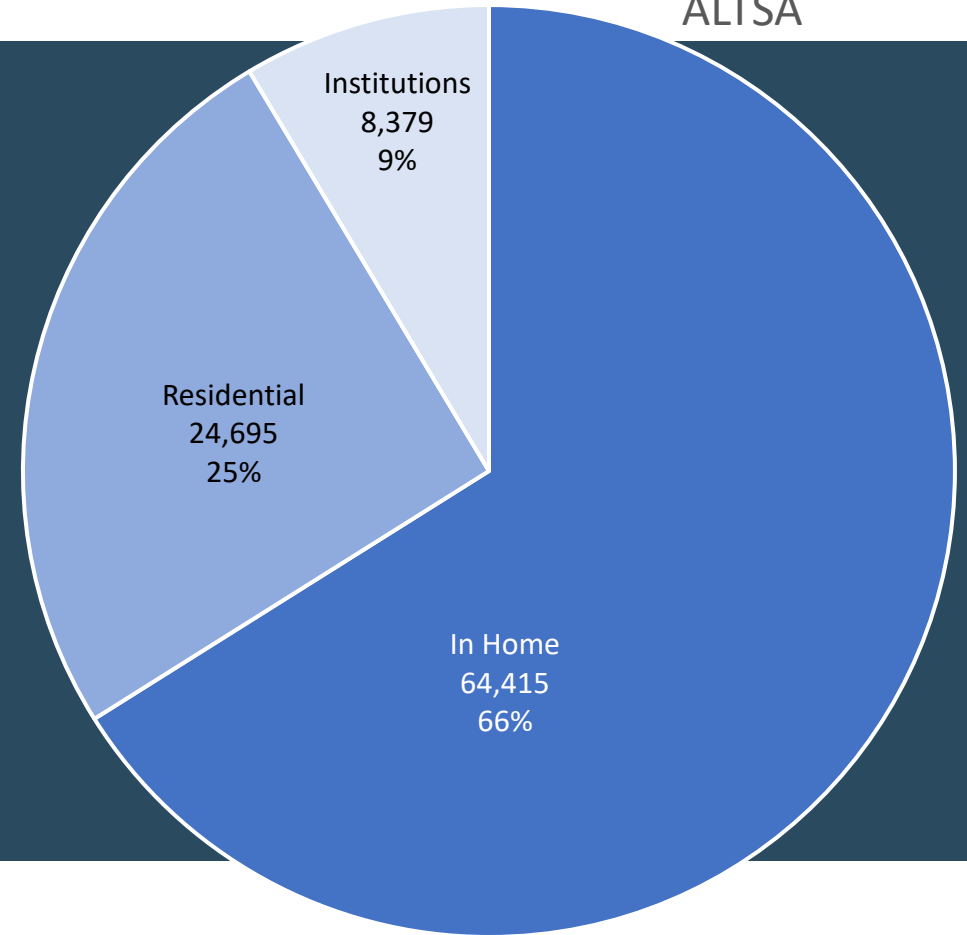
Evolving Service Population

Jaime Bond, Director of Field Services
Developmental Disabilities Administration

DDA

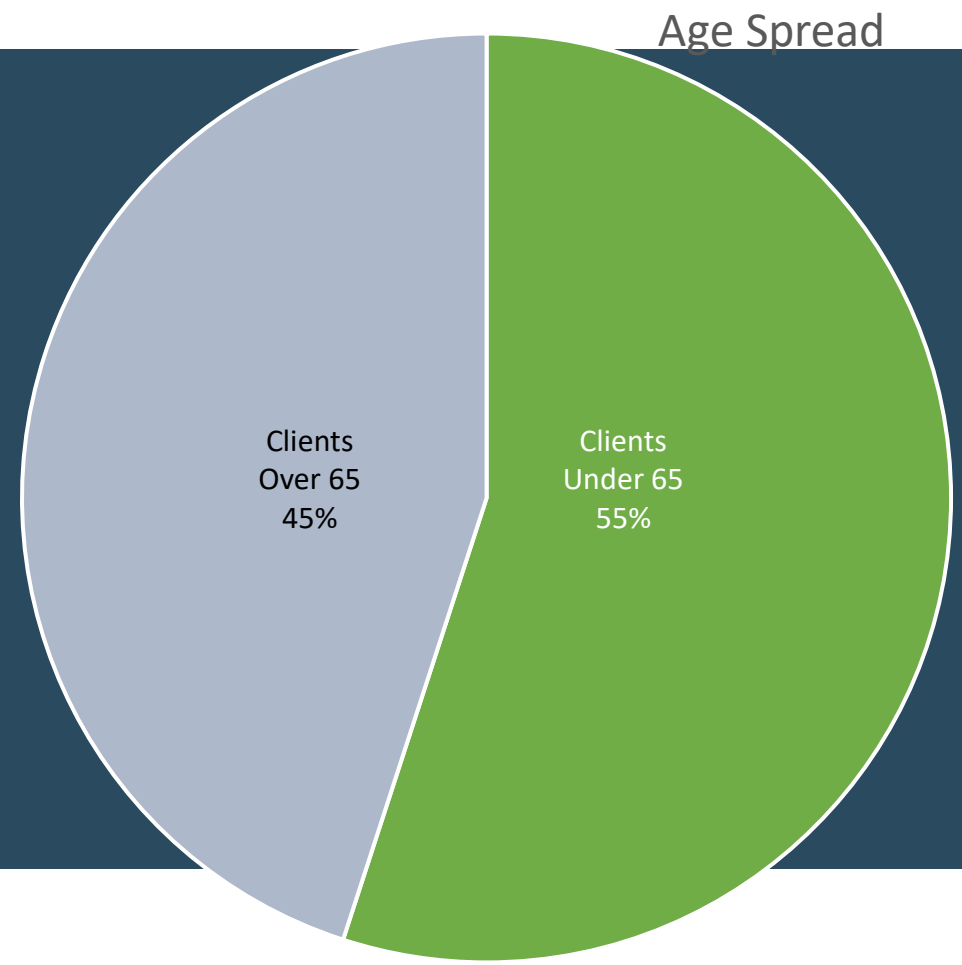
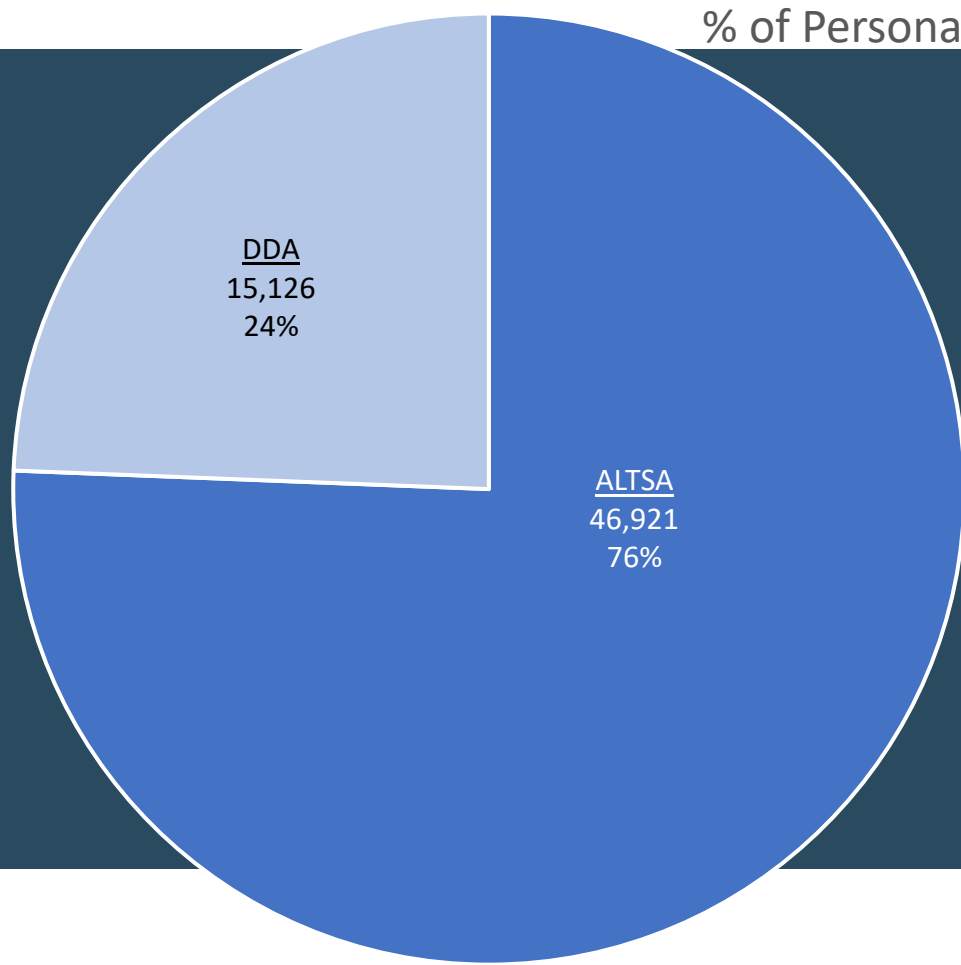


AL TSA



DDA and AL TSA Service Populations

Almost all clients served in DDA are under age 65; in AL TSA, 40% of clients are under age 65, and 60% are 65+



DDA and AL TSA In Home Caseloads

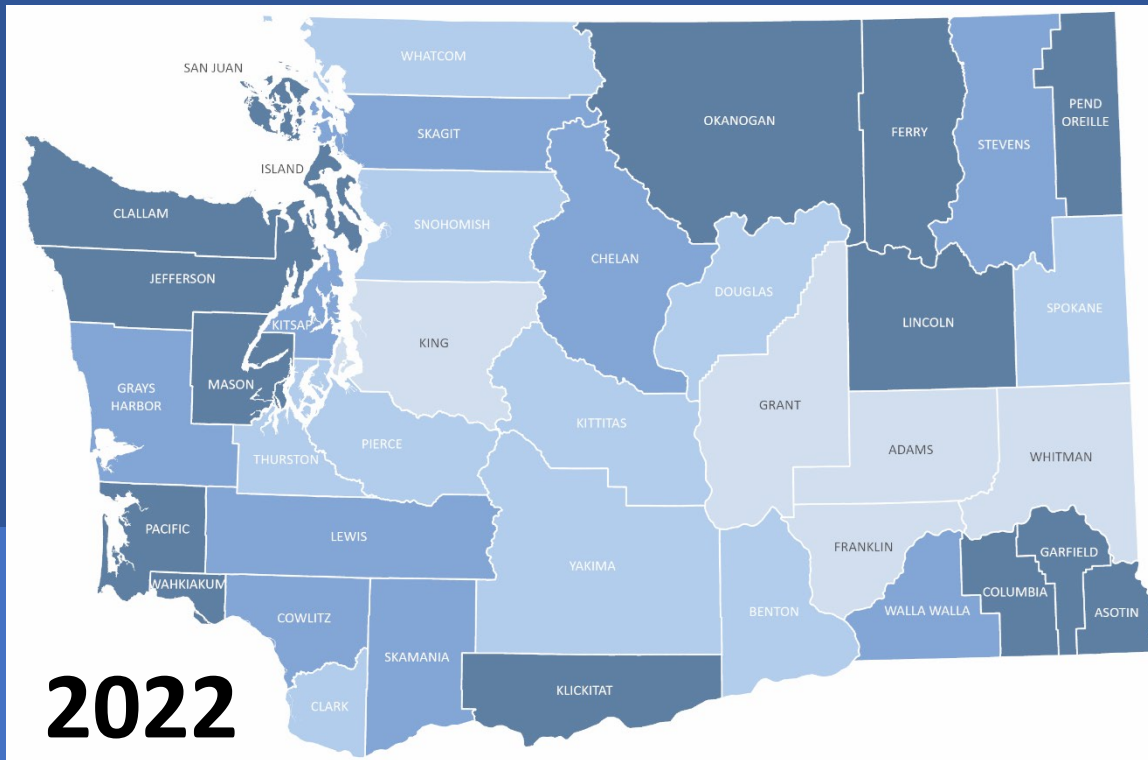
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Washington's Population is Aging

The state's elderly population is increasing dramatically.

Washington's 65+ population increased by 63%, from about 828,000 in 2010 to 1.35 million in 2022.

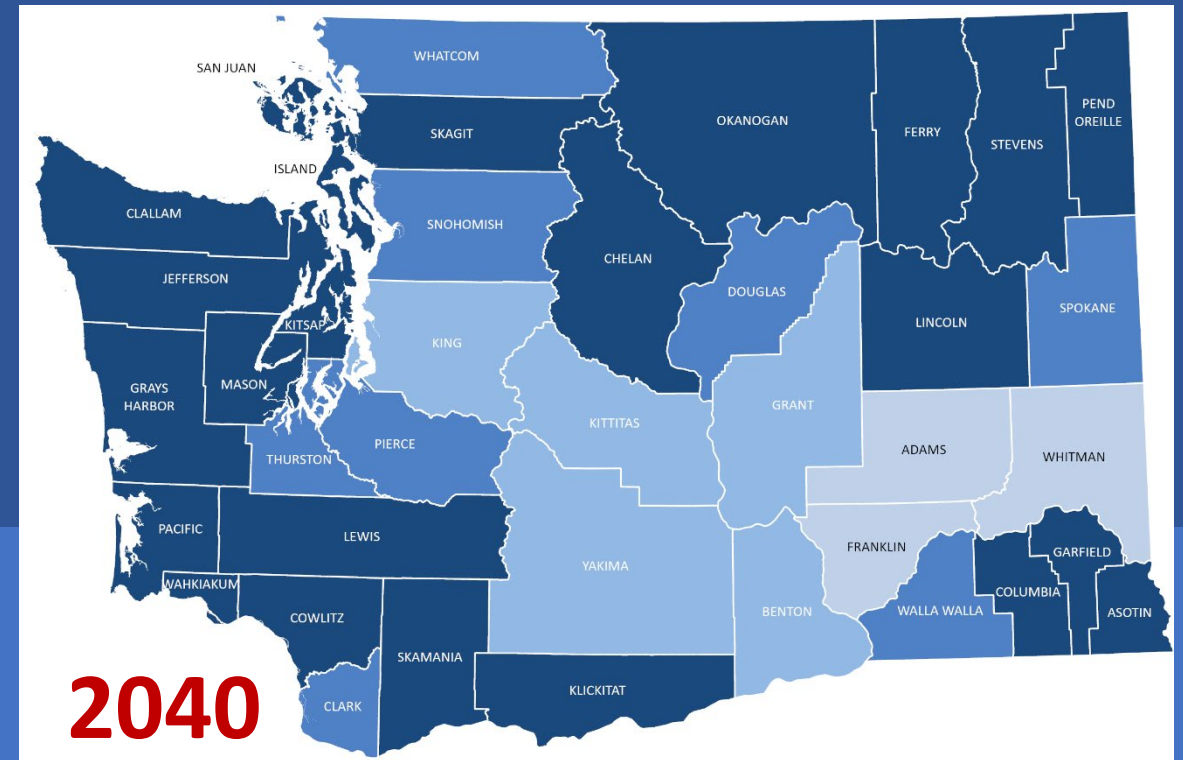
17% of Washingtonians were 65+ in 2022



The Seattle Times: WA's population is aging.

22% of Washingtonians will be 65+ by 2040.

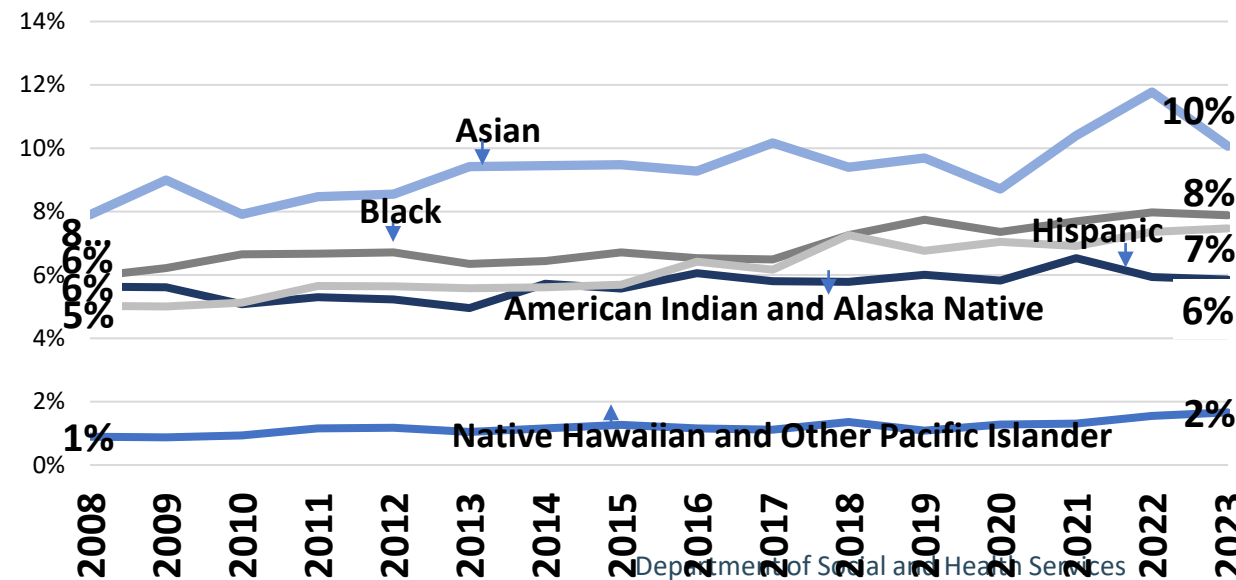
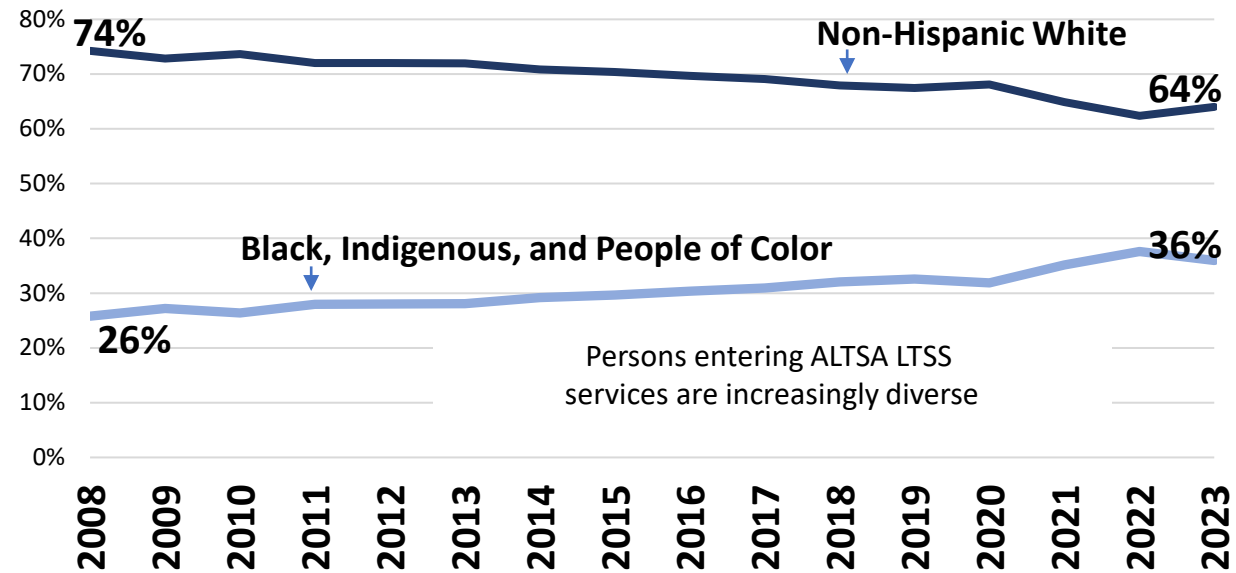
The 85+ population will triple.



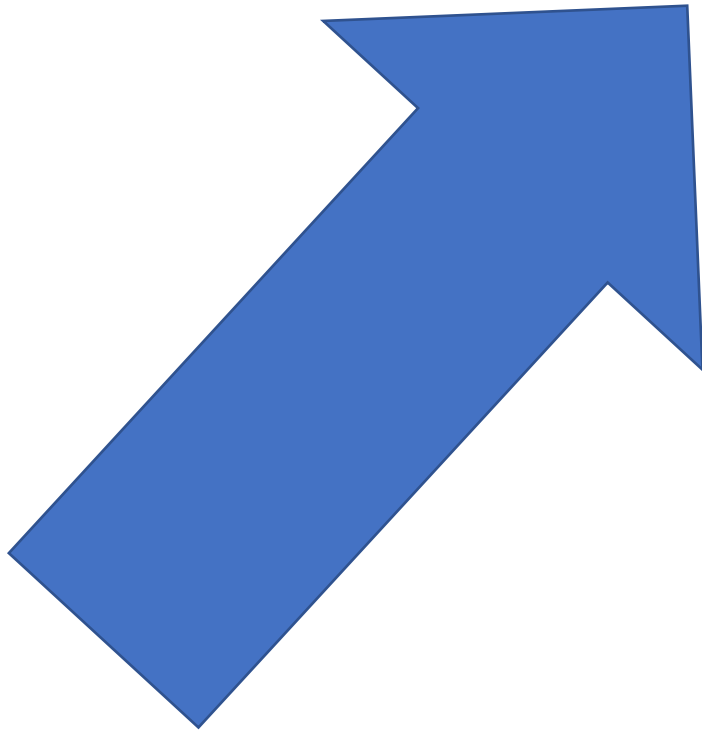
State Population Forecast: 2010-2040 Presentation (wa.gov)



Service
Population
diversity is
growing.



Individuals with Qualifying Developmental Disabilities Increasing

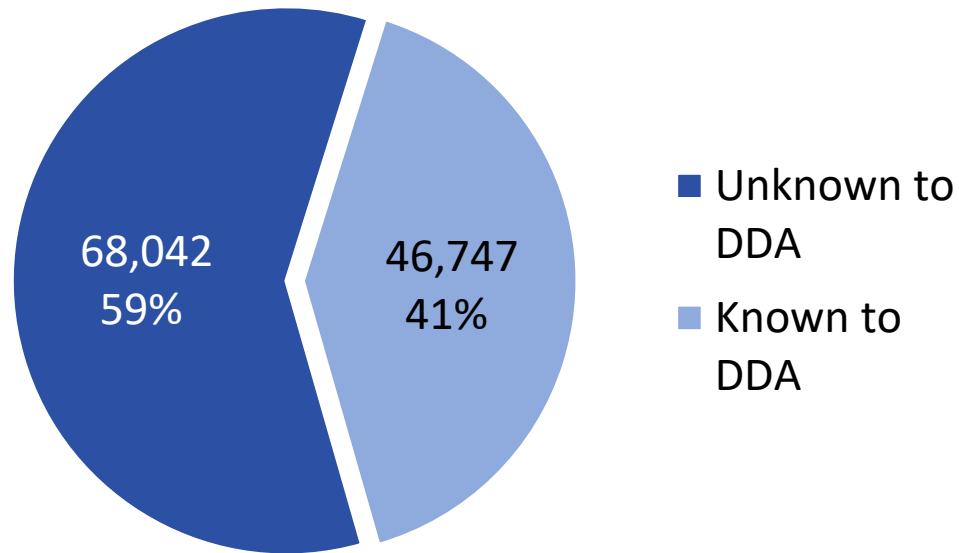


Washington is experiencing **15%** annual growth in the number of people who qualify as developmentally disabled.

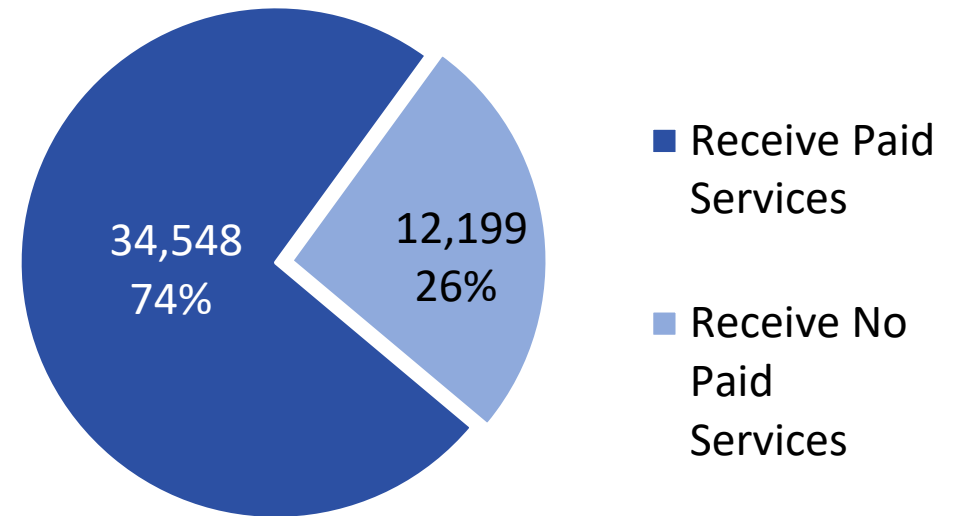
Numbers are expected to increase with elimination of IQ as an eligibility factor by July 1, 2025 under RCW 71A.16.020.

Washington's Population of Individuals with Developmental Disabilities

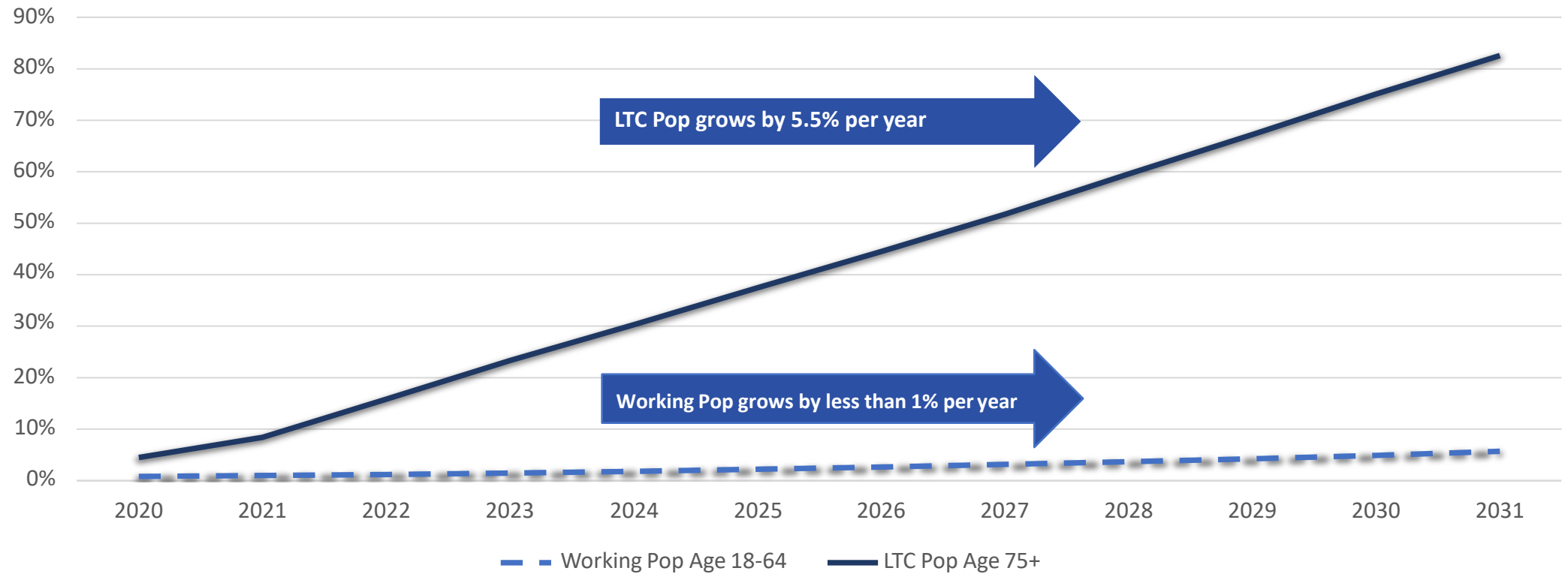
Individuals with Developmental Disabilities



Those Enrolled with DDA



Potential Demand for Long-Term Care Population Compared With Growth in the Working Age Population





How are client demographics changing?

2002-2023

Client changes over time impacting both administrations



New populations accessing services



Increasing diversity



Increasing population of clients with complex needs



Increasing volume

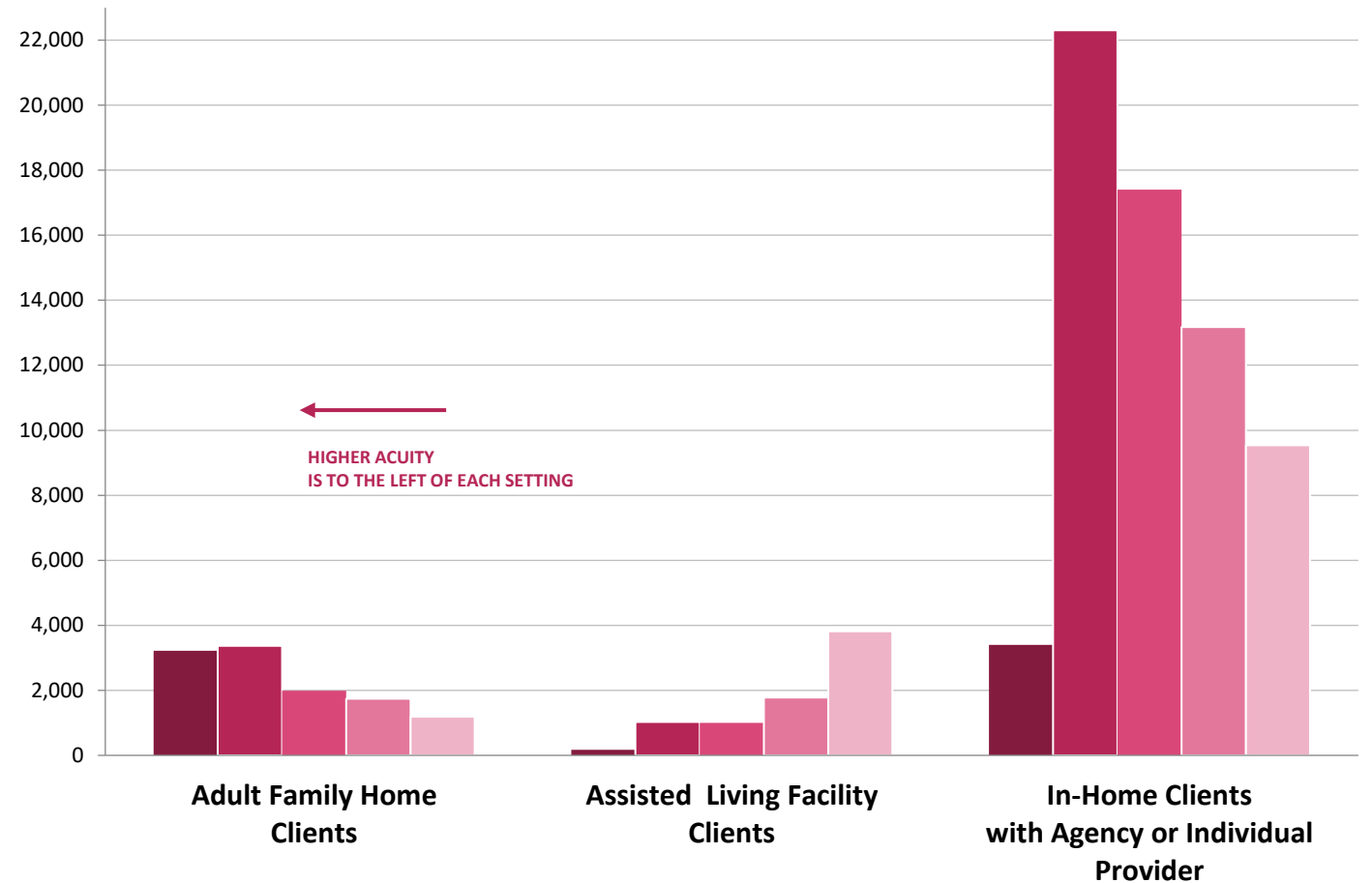
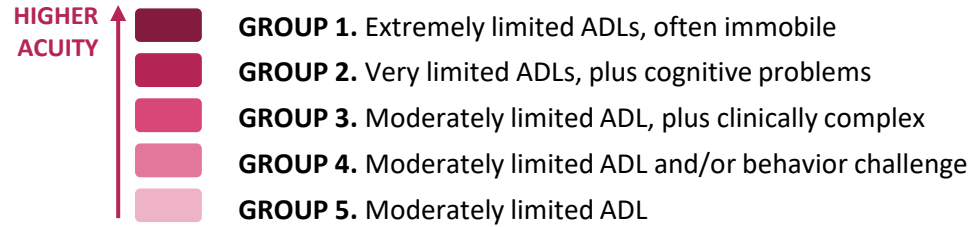
Chronic Health Conditions



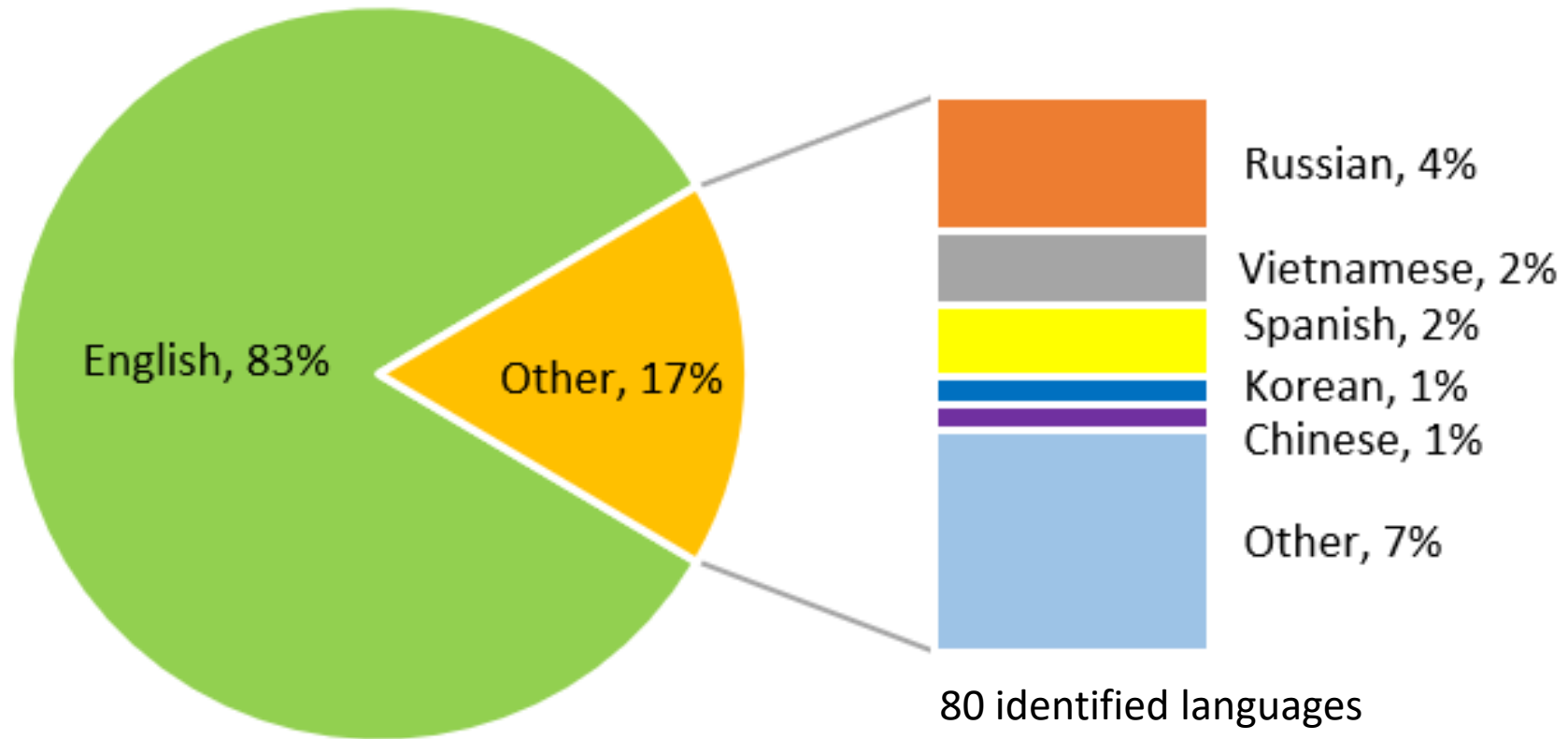
The average ALTA in-home services client experiences 5 to 6 chronic health conditions.

High Acuity Clients are Served in All Community Settings

Number of Clients by CARE Assessment Acuity Group



Reported Limited English Proficiency Across IP Population





How are diagnostic trends changing?

People Accessing Long-Term Care Have Multiple Chronic Conditions, Diverse Needs



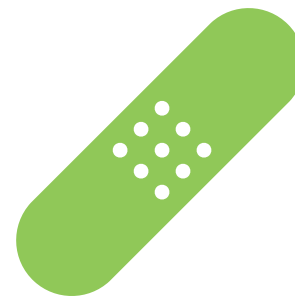
1 in 7 have a mental
health diagnosis



1 in 4 have dementia
diagnosis



1 in 3 have an intellectual
or developmental disability



Average person has five
chronic conditions
diagnosed in the past year

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%

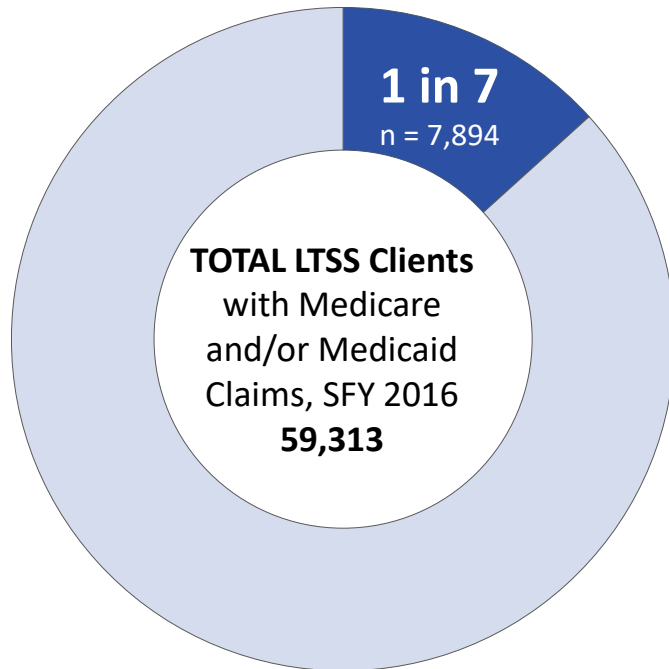
*As of August 13, 2018, clinical eligibility for the Medically Intensive Children's Program is no longer a separate eligibility category.

Prevalence of Common Conditions among ALTSA Clients

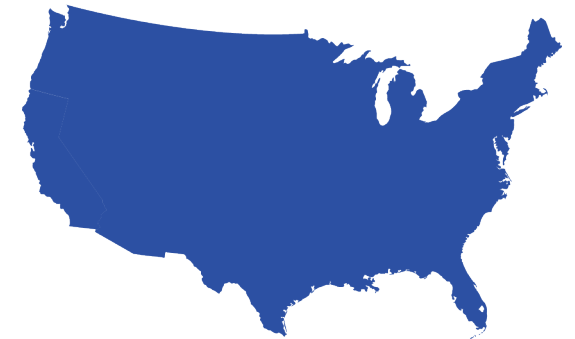
Condition	Percentage of Clients with Diagnosis
Hypertension	63%
Depression	45%
Anxiety disorder	29%
Diabetes – non-insulin dependent	21%
Chronic Obstructive Pulmonary Disease (COPD)	17%
Diabetes – insulin dependent	15%
Stroke	13%
Dementia other than Alzheimer’s disease	13%
Congestive heart failure	12%
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**



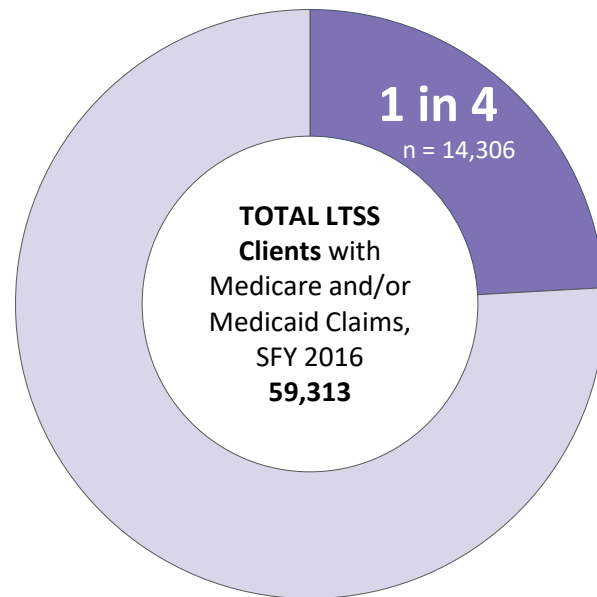
This represents **4.5% of the U.S. Population**

- 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%).

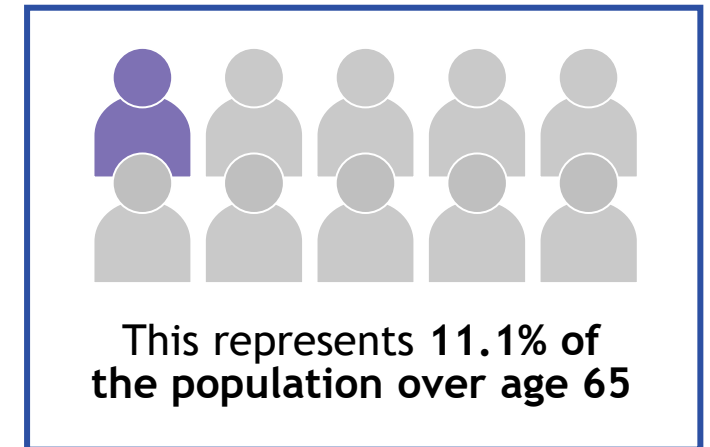
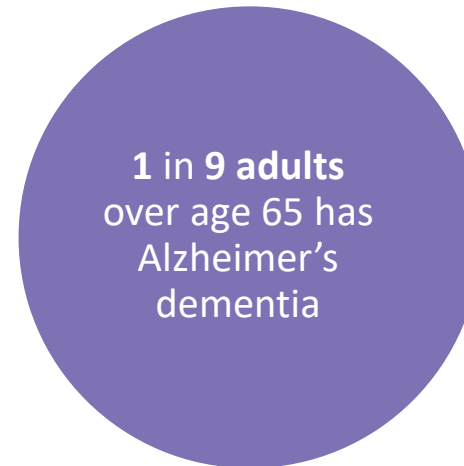
SOURCE: State data: DSHS Research and Data Analysis Division, Integrated Medicare and Medicaid claims, SFY 2016. (Note: Psychotic Disorders are a subset of SMI. Total SMI numbers in WA are likely higher than 1 in 7). National data: <https://www.nimh.nih.gov/health/statistics/mental-illness.shtml> (Note: 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



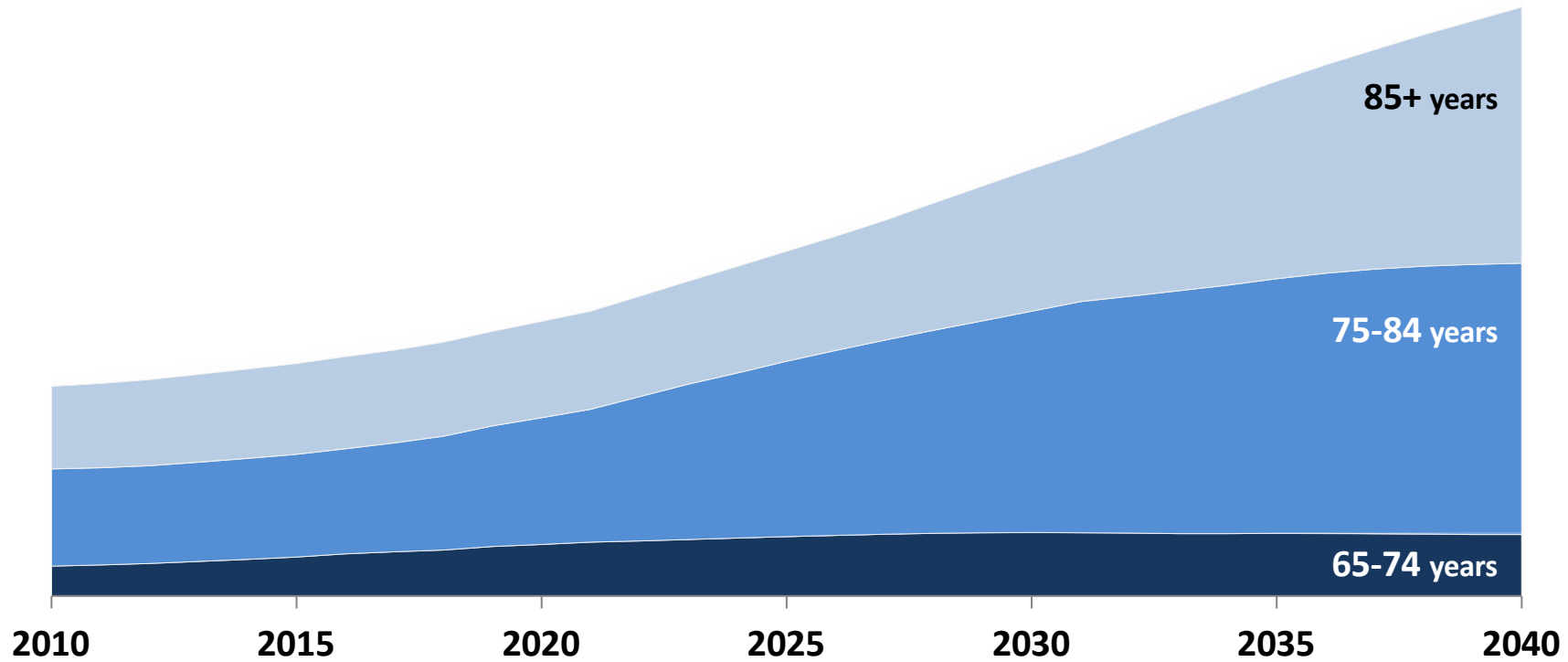
Prevalence of Alzheimer's Dementia Nationally



- 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

Projections of Alzheimer's Dementia in Washington State, 2010-2040

Synthetic projections using national prevalence rates from Hebert *et al* (2013)



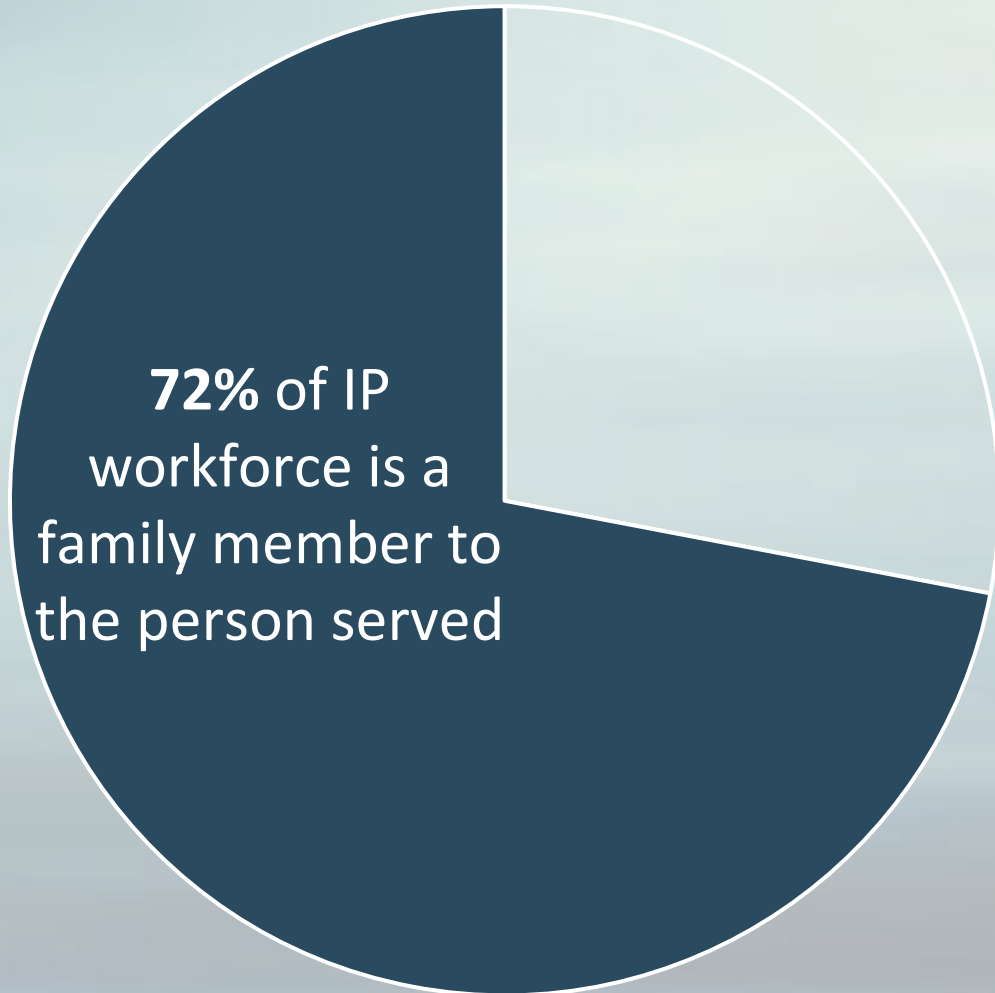
	2010		2020		2030		2040	
	NUMBER	PREVALENCE	NUMBER	PREVALENCE	NUMBER	PREVALENCE	NUMBER	PREVALENCE
65 -74 years	13,717	3.0%	23,600	3.1%	29,180	3.3%	28,187	3.4%
75 - 84 years	44,561	17.6%	58,251	16.7%	101,581	17.2%	124,500	18.0%
85+ years	37,879	32.3%	44,121	32.2%	65,255	32.9%	117,535	34.6%
Total 65+	96,156	11.6%	125,973	10.1%	196,015	11.7%	270,222	14.5%

SOURCES: Total Population 65 and Over, by Age: Washington State Office of Financial Management, Forecasting and Research Division. Forecast of the State Population by Age and Sex: 2010-2040. Nov. 2013. National Prevalence of Alzheimer's Dementia for Persons 65+, by Age: Hebert L.E., Weuve J., Scherr P.A., and D.A. Evans. Alzheimer disease in the United States (2010–2050) estimated using the 2010 census. Neurology May 7, 2013 80:1778-1783.



Looking Ahead

Family members are large part of self-directed workforce



□ Family Members ■ 2nd Qtr □ 3rd Qtr ■ 4th Qtr



Reimagining Care



Remote service delivery and monitoring



Assistive technology to support human assistance



Higher cognitive, behavior, and substance use disorder needs



Increased funding resources impact preferences



Implement support systems for caregivers

Thank you.

Contact:

**Jaime Bond, Director of Field
Services, DDA**

Jaime.bond@dshs.wa.gov



Washington State
Department of Social
& Health Services

Transforming lives

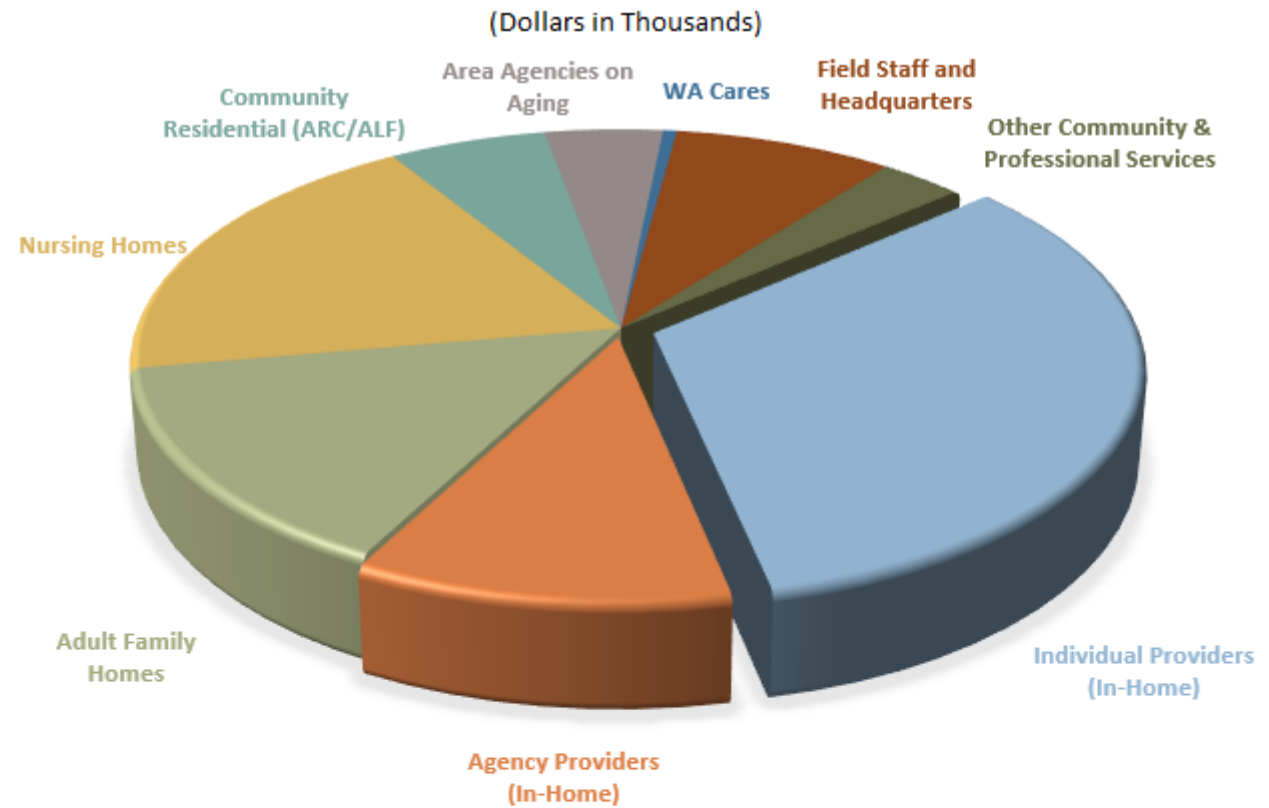
History of Individual Provider (IP) Funding

Jonathon G. Smith, Rates Data Administrator

Office of Rates Management

Management Services Division, ALTSA

AL TSA 23-25 Biennium Budget Summary



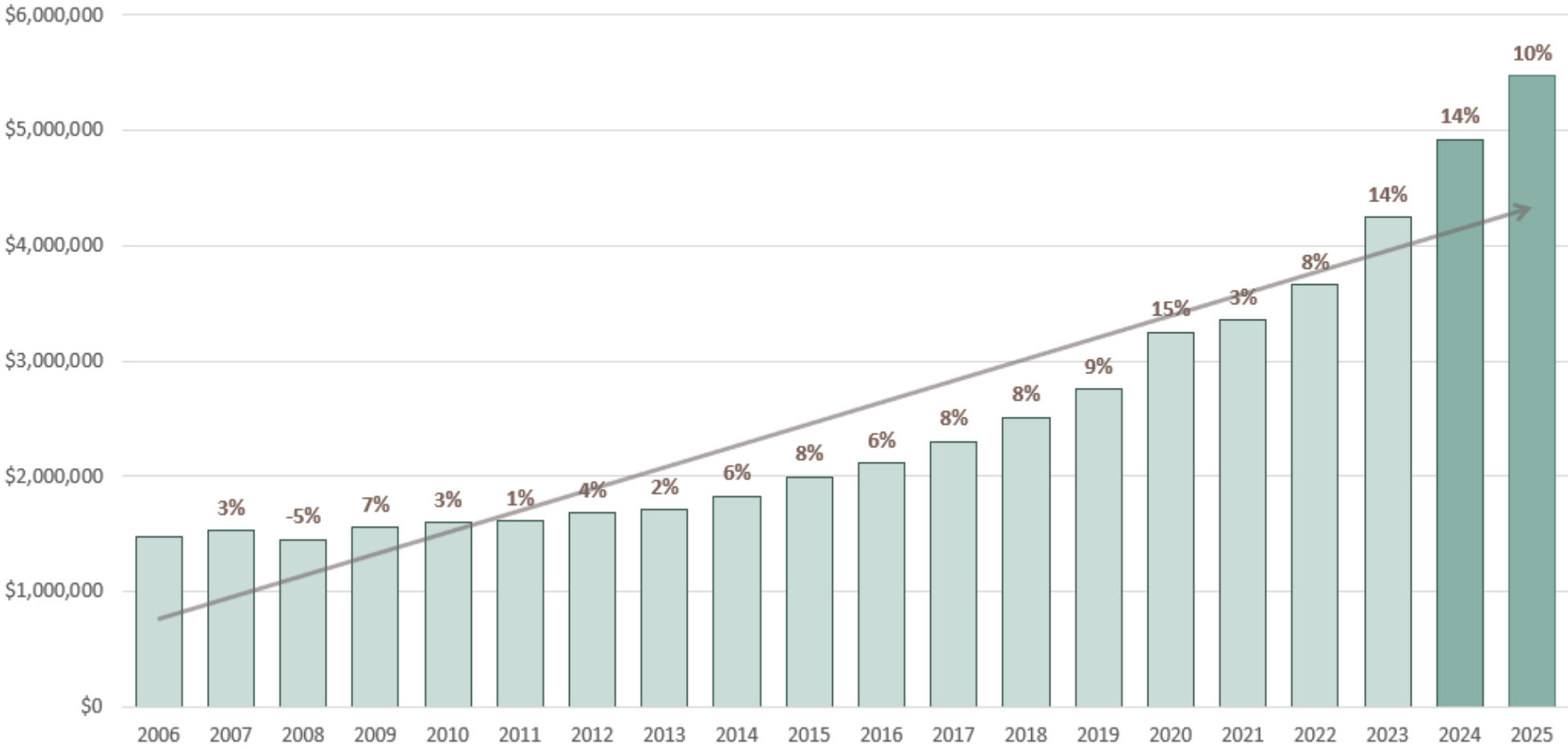
2023-25 Budget

(2024 Supplemental included)

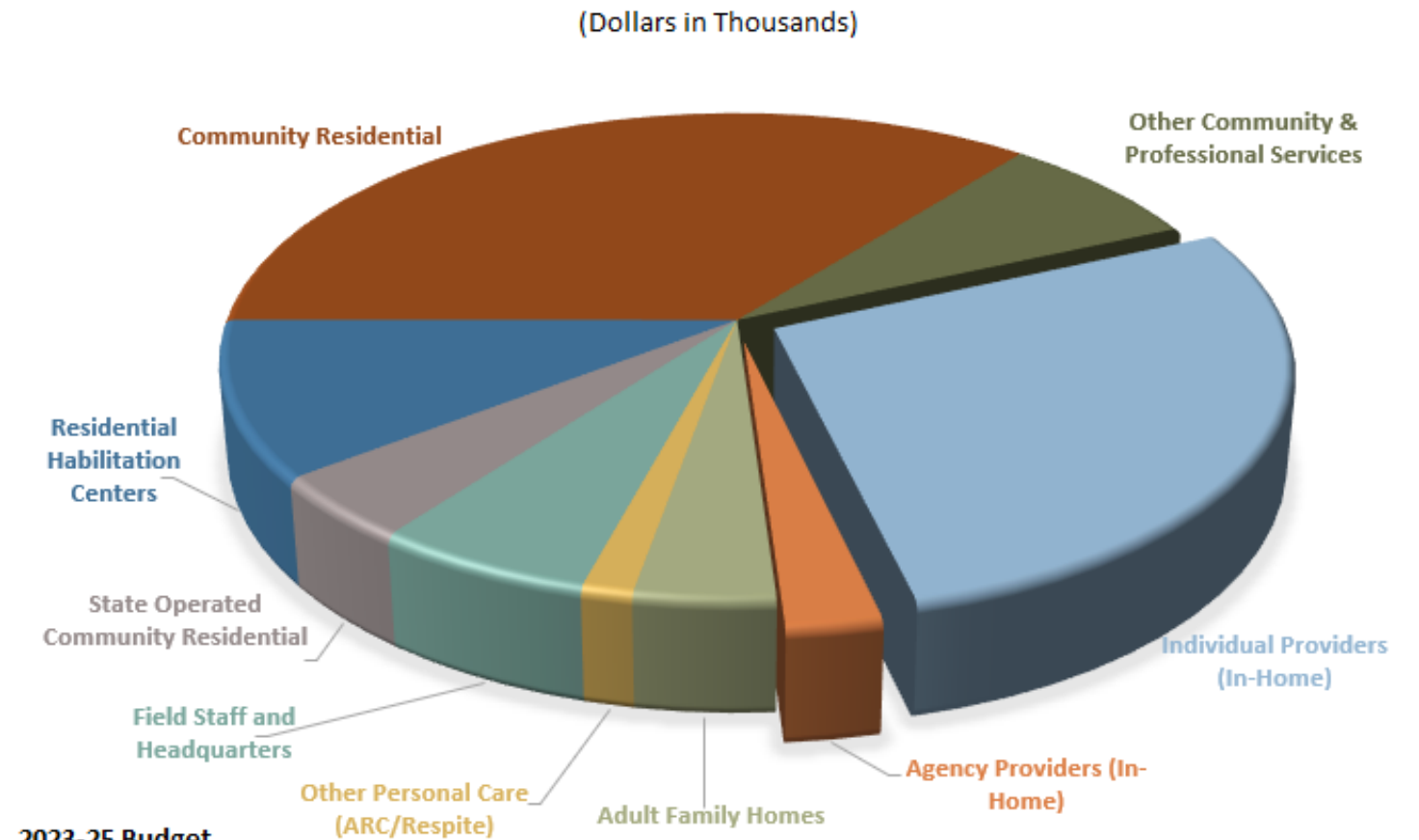
	FTEs	GF-S	Other	Total
Individual Providers (In-Home)	0.0	1,464,182	-	3,439,736
Agency Providers (In-Home)	0.0	488,061	-	1,146,579
Adult Family Homes	0.0	670,657	1,978	1,504,322
Nursing Homes	0.0	796,136	134,084	1,963,480
Community Residential (ARC/ALF)	0.0	288,592	202	621,536
Area Agencies on Aging	0.0	243,335	-	463,885
WA Cares	61.4	-	53,701	53,701
Field Staff and Headquarters	2707.7	413,274	55,301	863,936
Other Community & Professional Services	18.1	168,383	-	331,671
TOTAL	2787.1	4,532,620	245,266	10,388,845

ALSA Budget History by Fiscal Year

(Dollars in Thousands)



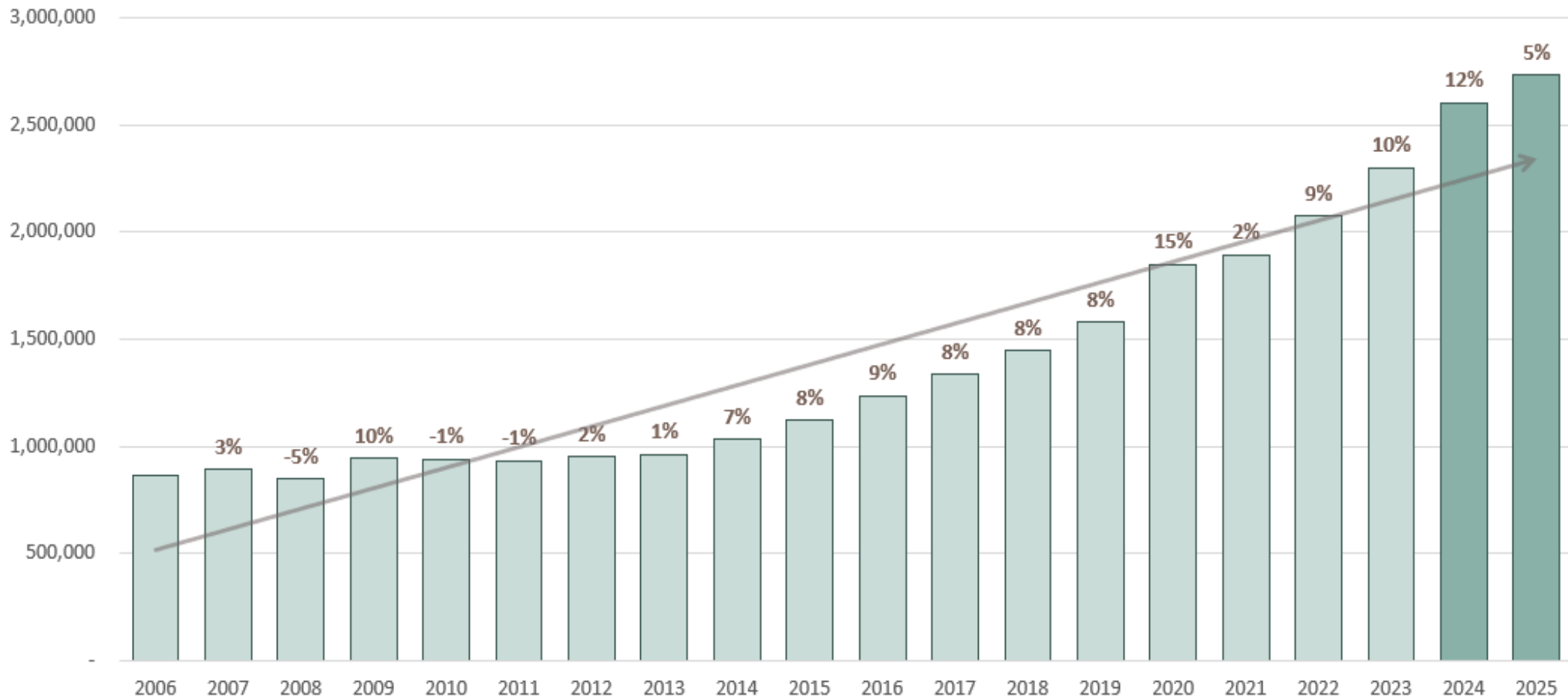
DDA 23-25 Biennium Budget Summary



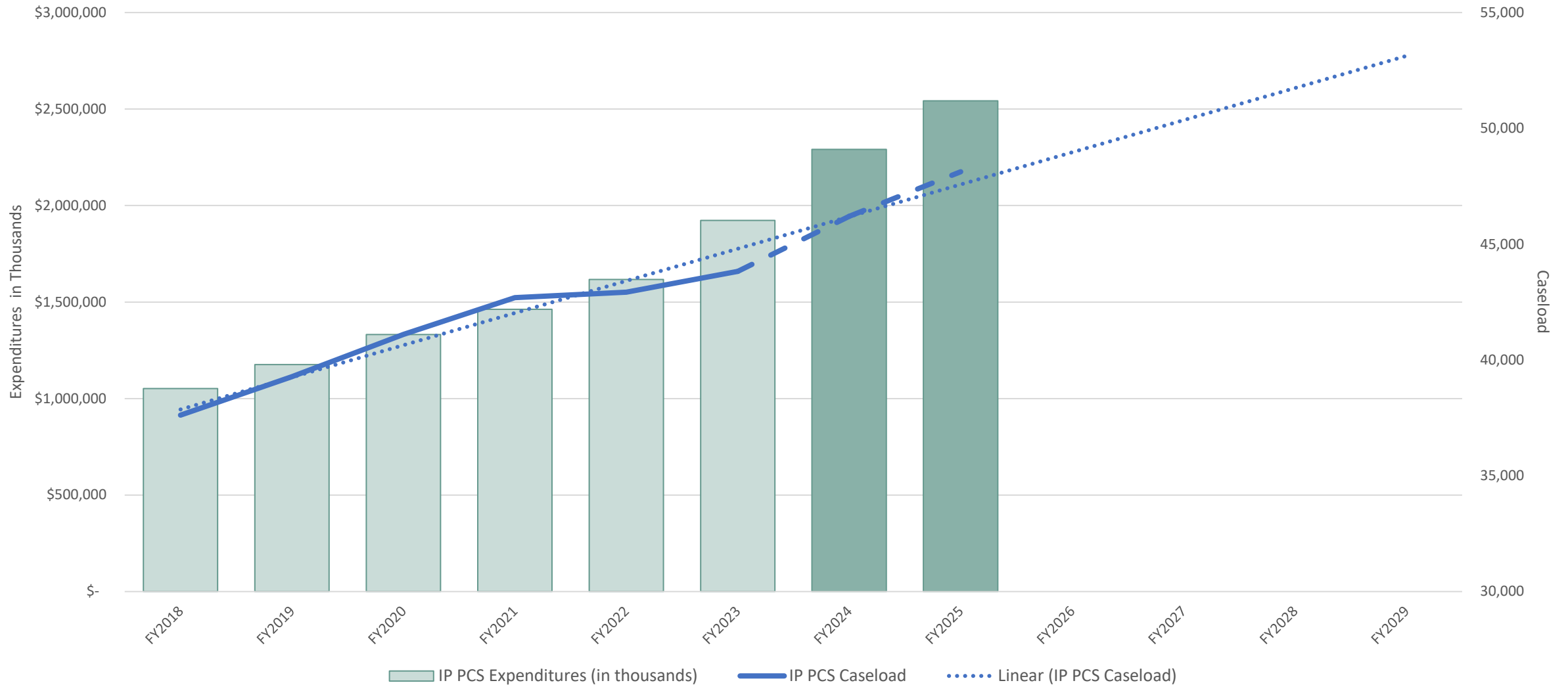
2023-25 Budget (2024 Supplemental included)	FTEs	GF-S	Other	Total
Individual Providers (In-Home)	0.0	659,473	-	1,493,317
Agency Providers (In-Home)	0.0	60,712	-	139,975
Adult Family Homes	0.0	93,087	434	206,767
Other Personal Care (ARC/Respite)	0.0	41,194	-	75,694
Field Staff and Headquarters	1230.9	183,437	-	323,473
State Operated Community Residential	1086.6	126,413	100	230,907
Residential Habilitation Centers	1948.0	279,729	19,488	554,335
Community Residential	0.0	955,363	3,524	1,904,781
Other Community & Professional Services	0.0	208,091	32,120	406,947
TOTAL	4265.5	2,607,499	55,666	5,336,196

DDA Budget History by Fiscal Year

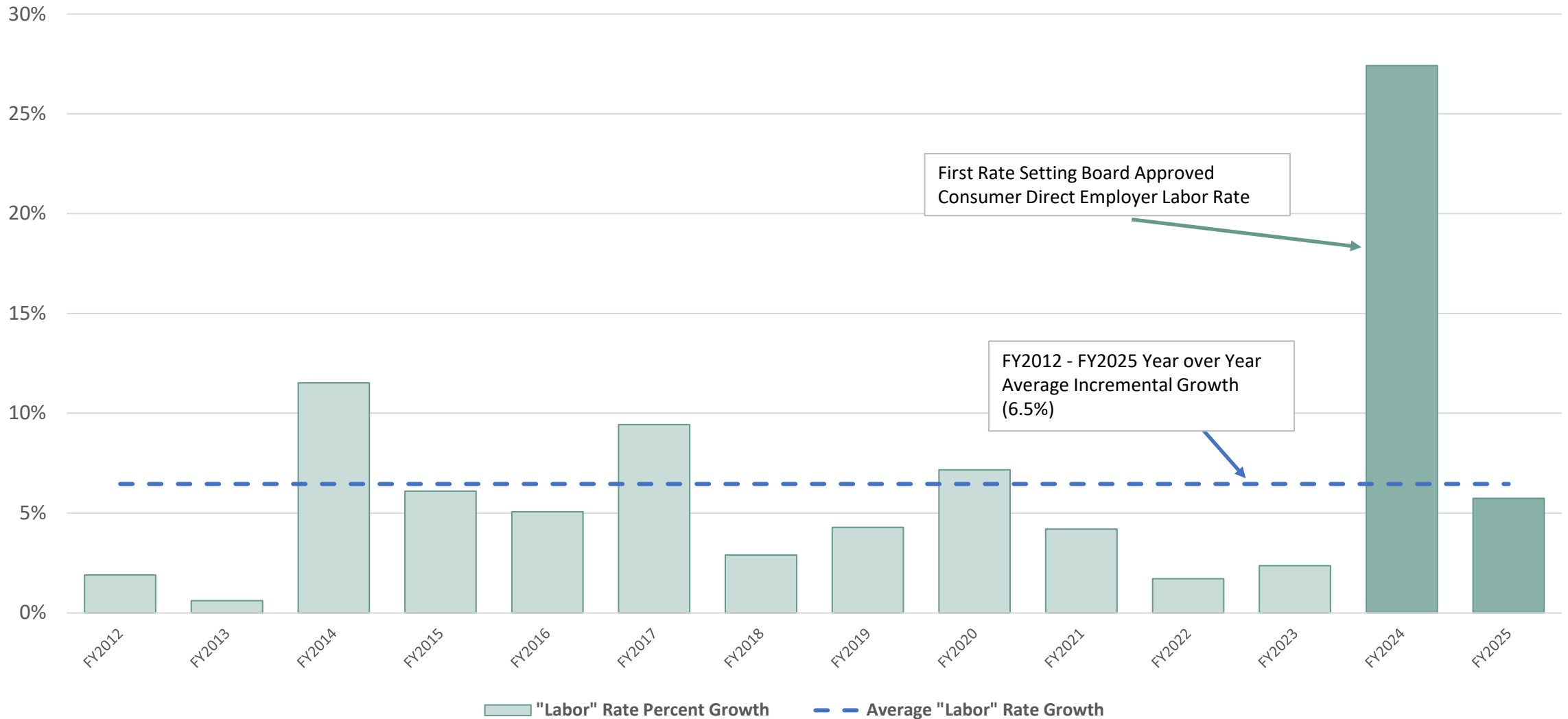
(Dollars in Thousands)



Individual Provider Personal Care Services (PCS) Caseload & Expenditures



Individual Provider Incremental "Labor" Rate Growth, Year over Year



Thank You

Jonathon G. Smith, Rates Data Administrator

Jonathon.Smith@dshs.wa.gov

Break

Remarks

- OFM/DSHS remarks – DSHS
- SEIU remarks – SEIU 775
- CDWA remarks – CDWA

Lunch

Foundational information

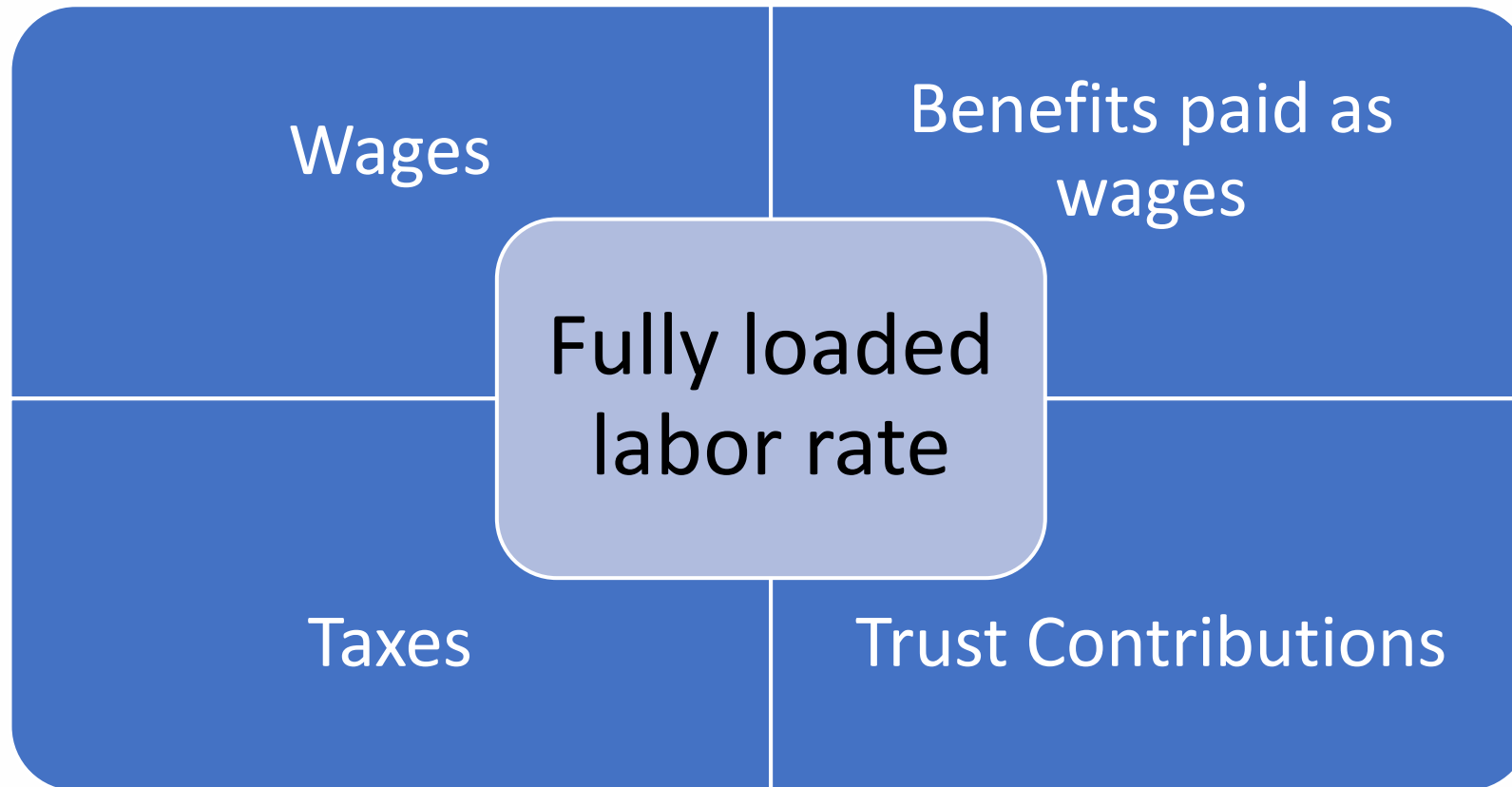
- Review of overall CDE rate structure – DSHS
- Home Care Agency parity – DSHS
- Home Care Agency parity HCA perspective – HCA Board Member
- Board discussion – All
- Public comment – Chair/Facilitator

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Sonya Declet, CDE Program Unit Manager, ALTSA

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Understanding Home Care Agency Rates

RCW 79.39A.310

Jonathon G. Smith, Rates Data Administrator

Office of Rates Management

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(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 Reciprocity
- The RSB Labor Rate does not call out components like the IP CBA between the State and SEIU did, so DSHS less prescriptive.
- Like all state budgeting, increases to the AP rates have been incremental changes over time rather than using a zero-based system that defines and re-sets base components when changes are made.

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
- COVID rate enhancements are phased to expire completely as of June 30, 2024

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.
- A percentage is added to cover when the agency must pay their employee but could not bill the time.
- Some examples are personnel time, frequent windshield time, and “no shows”.

Other Compensation

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

Additional Components

- Not part of the Parity Statute, but sometimes allocated by the legislature
 - Electronic Visit Verification funding
 - Vendor Rate Administration
 - Personal Protective Equipment (PPE)
- Historical amounts were carried forward in the general “base”, prior to incremental changes to Labor and Admin rates of the RSB

Adjourn