

DEVELOPMENTAL DISABILITIES ADMIN MSA Rate Increase



2016 SUPPLEMENTAL BUDGET

| Request | FY16 | FY17 | 15-17 |
|--------------|------------|------------------|------------------|
| FTE | 0 | 0 | 0 |
| GF-State | \$0 | \$276,000 | \$276,000 |
| Total | \$0 | \$559,000 | \$559,000 |

DECISION PACKAGE SUMMARY

The Developmental Disabilities Administration (DDA) requests \$559,000 Total Funds (\$276,000 GF-State) in order to adjust Medicaid rates for residential services in areas that have transitioned to Metropolitan Statistical Areas (MSA) because of population increases based on federal census data.

PROBLEM STATEMENT

Census data confirms that population increases in the state have moved 19 counties from Non-Metropolitan Statistical Areas (NMSA) to Metropolitan Statistical Areas (MSA). Medicaid rates for community residential providers are higher for providers located in an MSA to recognize the higher business operational costs. The federal Office of Management and Budget also recognizes Micropolitan Statistical Areas, which are most often located between two MSAs. The Aging and Long Term Support Administration (AL TSA) and DDA have also been using slightly different designations of statistical areas in their rate structures due to differences in when they were each last updated. When rates do not match the statistical area it results in access issues for Medicaid residents. Only nine counties are left in the Non-MSA classification.

PROPOSED SOLUTION

Nineteen counties change from NMSA to MSA or Micropolitan. Changing the associated rates more accurately reflects underlying assumptions of the rate structure, and aligns the county statistical area designations between AL TSA and DDA. For an additional \$46,000 per year, the other nine Non-MSA counties can also be brought up to the MSA rate, thus mitigating potential access issues and simplifying the rate structure by only having King and MSA rates across the state.

EXPECTED RESULTS

The department will be able to retain access for Medicaid clients by retaining a viable number of service providers throughout the state.

STAKEHOLDER IMPACT

All of the provider associations and advocate groups are expected to support this change, including Leading Age, Washington Health Care Association, Providence, Washington Residential Care Council, the ARC of Washington, the Developmental Disabilities Council, and the Eldercare Alliance.



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