

SUBCOMMITTEE RECOMMENDATION

**Department of Human Services
Intellectual and Developmental Disabilities
Rate Increase Implementation Report**

On February 12th, the Human Services Subcommittee recommended acknowledging receipt of a report from the Department of Human Services on implementation of provider rate increases in the Intellectual and Developmental Disabilities program.

The report, which is required by two budget notes, covers actions related to a \$30 million General Fund investment intended to help raise wages for direct support professionals as close as possible to \$15.00 per hour by the end of the biennium.

In August 2019, DHS raised most provider rates by 4%, with rates for some children's services increased on a different timeline or structure. The associated General Fund cost is \$8.8 million with the average DSP wage estimated at \$14.09 per hour.

The program planned to move to new rate models this July. However, the original cost estimates for the shift were incorrect due to data errors found in December 2019 and the updated costs exceed the current budget. Separate from this report, DHS and providers are seeking \$12.2 million General Fund to support a 7% rate increase on the current rates beginning July 1, 2020. If that request is approved, the resulting average DSP wage would be \$14.38 per hour and the new rate models would be implemented on January 1, 2021.

The Human Services Subcommittee recommends approval.