



Oregon

Kate Brown, Governor

Department of Human Services

Office of the Director

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February 12, 2020

The Honorable Senator Lee Beyer, Co-Chair
The Honorable Rob Nosse, Co-Chair
Ways and Means Human Services Sub-Committee
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048



Re: Follow Up on the DHS – Intellectual and Developmental Disabilities Rate Increase Funding Challenges

During the February 12, 2020 informational meeting on the DHS – Intellectual and Developmental Disabilities Rate Increase Funding Challenges the following requests for additional information were made.

Request: Co-Chair Beyer asked for the proportion of DSP Provider Rates that went to administrative costs.

Response: The new rate models are based on an "Overhead and Administrative Cost" of 15% of the total rate.

Request: Co-Chair Beyer also asked for more information about the bill that required a certain percentage of rate increases to be passed on in the form of wage increases.

Response: House Bill 2684 passed in the 2017 Legislative Session requires a comparable increase in wages and benefits to direct support professionals when the Legislative Assembly approves increases to provider rates.

Request: Representative Hayden asked for the cost of increasing all DSP wages to \$15/hour.

Response: To get to a minimum of \$15.00/hour for wages in all new rate models ODDS would need an additional \$6.8 million GF on top of the current \$12.2 million request for January 1, 2021 through June 30, 2021.

NOTE: ODDS bases calculations on projected costs for average wage increases on the wage rate calculation in rate models. Wage rate calculations simply provide an estimation of what is being paid to direct support professionals. I/DD Provider Agencies like other private companies set their own wage and compensation packages which may not align exactly with ODDS wage rate calculations.

For additional information please contact:

Soren Metzger, DHS Legislative Coordinator at Soren.K.Metzger@dhsosha.state.or.us

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