

Analysis

Department of Human Services

Four Percent Provider Rate Increase and Direct Care Staff Compensation

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Request: Acknowledge receipt of a report on actions taken to increase compensation of direct care staff serving people with intellectual and developmental disabilities.

Recommendation: Acknowledge receipt of the report.

Analysis: The 2015-17 budget for the Department of Human Services (DHS) included an increase in rates for most Intellectual and Developmental Disabilities (IDD) service providers. To clarify intent on how providers were to use the additional dollars, a budget note in SB 5507 (2015) was approved stating that compensation for direct care staff should be increased by at least 4% during the 2015-17 biennium. Providers were also required to present their related action plans during the 2016 legislative session and a \$100,000 special purpose appropriation to the Emergency Board was created for potential use by DHS to follow up on any complaints. In addition, the budget note called for this current report from the agency.

In the report, DHS describes the process the agency used to communicate expectations around the rate increase, provide guidance around compensation changes, and collect information on provider implementation plans. DHS reports that all provider agencies indicated increasing salaries and/or benefits during the biennium. The report includes a summary of plans, actions, and wage increase examples organized by provider type. These consist of supported living, group home, and employment/community inclusion services; the majority—about 70%—of direct care staff are employed in group homes. Average wages for this group are slightly lower than the other groups, averaging \$11.85 per hour at the time data was submitted to the Department.

While DHS received no complaints or reports of provider non-compliance and did not access the special purpose appropriation, wage adequacy and high turnover continue to be issues challenging IDD providers, direct care staff, and the people they serve.

The Legislative Fiscal Office recommends acknowledging receipt of the report.