Dept of Social and Health Services

Program 040 - Developmental Disabilities

2023-25 First Supplemental Budget Session

Policy Level - 4M - Supported Employment Rates

Agency Recommendation Summary

The Department of Social and Health Services (DSHS), Developmental Disabilities Administration (DDA), requests $47,642,000 ($23,821,000 GF-State) to fund rate increases for individual supported employment, group supported employment and community inclusion services to maintain a viable statewide provider network for these services that are entitlements for Medicaid waiver clients.

Fiscal Summary

Fiscal Summary *Dollars in Thousands*	Fiscal Years		Biennial	Fiscal Years		Biennial
	2024	2025	2023-25	2026	2027	2025-27
Operating Expenditures						
Fund 001 - 1	$0	$23,821	**$23,821**	$23,821	$23,821	**$47,642**
Fund 001 - C	$0	$23,821	**$23,821**	$23,821	$23,821	**$47,642**
Total Expenditures	**$0**	**$47,642**	**$47,642**	**$47,642**	**$47,642**	**$95,284**
Revenue						
001 - 0393	$0	$23,821	**$23,821**	$23,821	$23,821	**$47,642**
Total Revenue	**$0**	**$23,821**	**$23,821**	**$23,821**	**$23,821**	**$47,642**

Decision Package Description

PROBLEM STATEMENT:

Since July 2019, DDA has lost 34 supported employment providers displacing 233 clients and 29 community inclusion providers displacing 240 clients. In 2022, DDA partnered with the DSHS Research and Data Analysis Division to create an Employment and Day Rate Study of supported employment and community inclusion services. The current rates for DDA contracted individual employment of $93.66 per hour, group supported employment of $80.75 per hour, and community inclusion of $52.45 per hour are lower than the rates indicated by the study. This funding is not maintaining the provider capacity needed to support service demand.

As directed in Senate Bill 5693 Sec. 203 (1)(ff)(i-iv), the 2022 rate study summarizes the current employment and day system and how it operates, including an overview of the current rate structure. It describes the organizational components and costs associated with the delivery of services that achieve client outcomes. It recommends methodologies to use and that the legislature fund supported employment and community inclusion services in alignment with the rate study's findings. While the 2023 Legislature increased funding for provider rates, the current rates for supported employment (individual and group) represent 75 percent of the provider costs and 62 percent for community inclusion. Fully funding the study is needed to cover the actual costs and maintain the infrastructure and capacity required to achieve and support client outcome.

PROPOSED SOLUTION:

DDA requests $47,642,000 ($23,821,000 GF-State) to fully fund rates to providers to cover their costs and maintain the infrastructure required to achieve and support client outcomes with more hours and timely connection with clients. Rates needed to maintain the existing providers and to attract others are:

- Individual Employment for Fiscal Year (FY) 2025: $128.80 per hour
- Group Support Employment for FY25: $110.40 per hour
- Community Inclusion for FY25: $87.66 per hour

EXPECTED RESULTS:

The existing network of supported employment and community inclusion providers continue to lack capacity and will be better able to remain in business with rates that make operations economically viable. As a result, the growing number of eligible DDA clients will live the lives they want, contribute to, and participate in their local communities. Employment outcomes are delayed due to lack of provider capacity to develop employment resources. Projected outcomes include working more hours and timely connection of clients with jobs. More staffing will connect

clients with the community and deliver of all the assessed service hours. Supports and services shall be offered in ways that ensure people have the necessary information to make decisions about their options and provide optimum opportunities for success in their community. Eligible clients will have the opportunity to receive requested services as providers will have capacity to serve.

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Assumptions and Calculations

Expansion, Reduction, Elimination or Alteration of a current program or service:

Not applicable.

Detailed Assumptions and Calculations:

See attached document, "040-PL-4M-Supported Employment Rates Fiscal Model.xlsx".

Workforce Assumptions:

None.

Strategic and Performance Outcomes

Strategic Framework:

DDA 4 - INCREASE THE NUMBER OF WORKING-AGE ADULTS WITH A DEVELOPMENTAL DISABILITY WHO ARE EMPLOYED.

GOVERNOR'S RESULT WASHINGTON GOALS:
Goal 2. Prosperous Economy

Performance Measures	Incremental Changes 2024	Incremental Changes 2025	Incremental Changes 2026	Incremental Changes 2027
001607 - Percent of working-age adults with developmental disabilities in day programs who are employed	0%	0%	0%	0%

Performance Outcomes:

See Expected Results.

Equity Impacts

Community outreach and engagement:

DDA and advocacy groups, created by multicultural families, engage all communities who serve individuals with intellectual and developmental disabilities, including counties and employment and community inclusion providers. Individuals with developmental disabilities, their families, counties, and employment and community inclusion providers are all supportive of this proposal.

Disproportional Impact Considerations:

There are no populations or communities who are marginalized or disproportionately impacted by this proposal. Should there be a change, appropriate action will be taken to address the issue.

Target Populations or Communities:

The proposal benefits individuals with developmental disabilities who participate in employment and community inclusion programs, and existing and future providers through the rate increases. Approximately 9,000 DDA clients are currently enrolled in these services. Provider capacity is not meeting the demand for services. This proposal will increase equity in jobs and job training, health and human services, and further economic justice.

Other Collateral Connections

Puget Sound Recovery:

Not applicable.

State Workforce Impacts:

None.

Intergovernmental:

DDA contracts with counties to procure employment and day services for people with developmental disabilities. Additional funding means that their programs can provide more services to more people who are eligible and need long-term support.

Stakeholder Response:

Parents of adult children with developmental disabilities rely on services and supports during the day so that they may continue to work and support family existence. Advocacy groups such as The Arc, Parent to Parent, Self-Advocates of WA, Community Employment Alliance, who provide employment and community inclusion services, and the Association of County Human Services, who administer employment and community inclusion services, will support this proposal.

State Facilities Impacts:

None.

Changes from Current Law:

None.

Legal or Administrative Mandates:

None.

HEAL Act Agencies Supplemental Questions

Not applicable.

Reference Documents

040-PL-4M-Supported Employment Rates Fiscal Model.xlsx

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?

No

Objects of Expenditure

Objects of Expenditure *Dollars in Thousands*	Fiscal Years		Biennial	Fiscal Years		Biennial
	2024	2025	2023-25	2026	2027	2025-27
Obj. N	$0	$47,642	**$47,642**	$47,642	$47,642	**$95,284**

Agency Contact Information

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