



Agency Recommendation Summary

The Department of Social and Health Services (DSHS), Aging and Long-Term Support Administration (AL TSA), requests \$63,530,000 (\$28,112,000 GF-State) to fund the parity step for agency providers (AP), associated with the proposed Consumer Directed Employer (CDE) Rate Setting Board rates. This does not represent a final recommendation from the CDE Rate Setting Board at this point, but is a placeholder, which will provide adequate funding to keep AP rates in alignment with CDE labor rates. This will ensure in-home care remains a viable option to allow Medicaid clients to live in their community rather than more restrictive and costly alternatives.

Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2026	2027	2025-27	2028	2029	2027-29
Operating Expenditures						
Fund 001 - 1	\$9,125	\$18,987	\$28,112	\$19,429	\$19,881	\$39,310
Fund 001 - C	\$11,496	\$23,922	\$35,418	\$24,478	\$25,047	\$49,525
Total Expenditures	\$20,621	\$42,909	\$63,530	\$43,907	\$44,928	\$88,835
Revenue						
001 - 0393	\$11,496	\$23,922	\$35,418	\$24,478	\$25,047	\$49,525
Total Revenue	\$11,496	\$23,922	\$35,418	\$24,478	\$25,047	\$49,525

Decision Package Description

PROBLEM STATEMENT:

During the spring and summer of 2024, the legislatively established Rate Setting Board met to discuss, evaluate, and ultimately propose an hourly rate adjustment to AP rates. The rate adjustment is based on the incremental rate change for the CDE labor rates and adjustments for unique experiences of AP providers.

PROPOSED SOLUTION:

AL TSA requests \$63,530,000 (\$28,112,000 GF-State) to fund the AP parity rates as proposed by the Rate Setting Board, which will provide adequate funding to adjust AP wages and benefits to ensure in-home care remains a viable option to allow Medicaid clients to live in their community rather than more restrictive and costly alternatives.

EXPECTED RESULTS:

Funding the AP parity rate will ensure that agency provider rates are equitable to the CDE rates, allowing clients more options for in-home care. The AP parity rate is an adjustment to the total AP rate and is based on the incremental rate change proposed for the CDE labor rates and adjustments for unique experiences of AP providers.

Alternatives:

Per [RCW 74.39A.530](#), if the funding is not included in the Governor's budget, the Board will need to reconvene to determine an alternative Agency parity rate.

Agency Contact: Mitchell Close, (360) 902-8240

Program Contact: Jonathon Smith, (360) 522-3366

Assumptions and Calculations

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

2021-23 Biennial Budget = \$850 Million
2023-25 Biennial Budget = \$1.1 Billion

Detailed Assumptions and Calculations:

See attached "050-ML-ND-Agency Parity Attachment 1.xlsx" for details.

Workforce Assumptions:

None.

Historical Funding:

Agency	FY2026	FY2027
FTE	0.0	0.0
Total Funds	577 Million	562 Million
Near General Fund	243 Million	236 Million
Other Funds	334 Million	326 Million

Strategic and Performance Outcomes

Strategic Framework:

ALTSA - 1. Champion services and supports that increase Access, Choice & Integration.

GOVERNOR'S RESULT WASHINGTON GOALS:

Goal 4. Healthy and Safe Communities

Performance Measures	Incremental Changes 2026	Incremental Changes 2027	Incremental Changes 2028	Incremental Changes 2029
001345 - Percent of long-term services and support clients served in home and community-based settings	0%	0%	0%	0%

Performance Outcomes:

See Expected Results.

Equity Impacts

Community Outreach and Engagement:

The CDE Rate Setting Board met 11 times between March and August of 2024. All the meetings were open to the public. The meeting notices were provided in advance and minutes are posted on the DSHS website. There also is a Rate Setting Board email box (CDERateSettingBoard@dshs.wa.gov) that is available to anyone who wants to ask questions related to board activities.

Disproportional Impact Considerations:

This proposal benefits all clients receiving in-home services from agency providers. Any unforeseen disproportional impacts would be addressed through future Rate Setting Board meetings and proposals.

Target Communities and Populations:

All DSHS in-home clients receiving services from an in-home agency and the staff providing those services will benefit from the AP Parity rate. The new rate will be used to provide funding to support provider wages and benefits as determined through Rate Setting Board. The AP workforce is vital for providing the needed in-home options that are key to ALTSA's array of long-term services and supports in the state. Both in-home clients and in-home caregivers are more likely than the overall state population to be women and Black, Indigenous, and People of Color (BIPOC) individuals. This proposal aligns with DSHS' priorities of building economic justice, advancing person-centered services, and serving people in their communities of choice. This proposal supports progress towards everyone in Washington being able to flourish and achieve their full potential by increasing equity in jobs and job training.

Community Inputs and Incorporation:

Input was received during the Rate Setting Board meetings from the membership and the public. The board had dedicated time during each meeting to hear views and suggestions from the public. Individuals of the public were also asked from members of the board to appear and testify.

Other Collateral Connections

HEAL Act Agencies Supplemental Questions

Not applicable.

Puget Sound Recovery:

Not applicable.

State Workforce Impacts:

None.

Intergovernmental:

None.

Stakeholder Impacts:

SEIU: This entity should be in support of the proposed rates because they had a voting designated member on the Rate Setting Board and actively participated.

CDWA: This entity is the CDE vendor and should be in support of the proposed rates, because they also had a designated voting member on the Rate Setting Board and actively participated.

Home Care Coalition: This entity should be in support of the proposed rates; they had a designated non-voting member on the Rate Setting Board and actively participated.

State Facilities Impacts:

None.

Changes from Current Law:

None.

Legal or Administrative Mandates:

There is a statutory requirement ([RCW 74.39A.530](#)) for the Rate Setting Board to propose rates for the CDE.

There is a statutory requirement ([RCW 74.39A.310](#)) to provide parity rate increases to Agency Providers.

Governor's Salmon Strategy:

Not applicable.

Reference Documents

[050-ML-ND-Agency Parity Attachment 1.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 <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2026	2027	2025-27	2028	2029	2027-29
Obj. N	\$20,621	\$42,909	\$63,530	\$43,907	\$44,928	\$88,835

Agency Contact Information

Mitchell Close
(360) 902-8240
mitchell.close@dshs.wa.gov