

Rate Relief Needed for APD's HCBS Waiver (iBudget)

- A 3% rate increase is requested for key iBudget Waiver Services: Residential Habilitation, Adult Day Training, Personal Supports, and Supported Employment. (Line Item 241 of the proposed General Appropriations Act)
- An investment of **\$8.4 million in state funds**, supplemented by \$12.6 million in federal matching funds, will stabilize the hiring crisis provider agencies are facing.
- Based on previous year expenditures, the following is needed to fund the requested rate relief:

<u>Service</u>	<u>State</u>	<u>Federal</u>	<u>Total</u>
- Residential Habilitation	\$4,862,856	\$ 7,294,285	\$12,157,141
- Adult Day Training	\$ 888,706	\$ 1,333,059	\$ 2,221,765
- Personal Supports	\$2,560,812	\$ 3,841,217	\$ 6,402,029
- Supported Employment	<u>\$ 75,439</u>	<u>\$ 113,158</u>	<u>\$ 188,598</u>
Total:	\$8,387,813	\$12,581,720	\$20,969,533

Why the Increase Is Needed

- Providers must have rate relief so they can meet the health and safety needs of the individuals they serve. Remaining on the current path will continue the deterioration of a network that has seen a 36.4% drop in the number of providers since FY 07-08 (per FY 2015/2016 data). Agencies who were providing multiple (two or more) services show a 48.6% reduction since FY 07-08 (per FY 2015/2016) data. ***Low reimbursement rates account for the loss of providers.***
- Consider, low provider rates mean low direct care staff wages since staffing costs typically represent 75 - 80% of agency operating costs. Providers report staff turn-over rates of 40+ percent and average wages of about \$9.00 per hour, compared to retail stores and restaurant wages that start at \$10.00 per hour.