

Executive Summary

Proposed Fee Schedule Rates for Intellectual Disability and Adult Autism Waiver Services

The Department of Human Services (DHS) published proposed Fee Schedule Rates for Intellectual Disability and Autism Services (ID/A) in the Pennsylvania Bulletin on January 1, 2022. The Provider Alliance (TPA) submitted its [comment letter](#) on January 18, 2022. Key arguments and concerns contained within the TPA comment letter are summarized as follows:

Wage growth was not accurately reflected in the proposed fee schedule rates using the rate-setting methodology applied by DHS through the Office of Developmental Programs (ODP). The Provider Alliance researched Department of Labor, Bureau of Labor Statistics (BLS) data historically used by the Pennsylvania Department of Human Services, Office of Developmental Programs (ODP) to estimate wage levels for Direct Support Professionals (DSPs) and determined that ODP did not increase fee schedule rates commensurate with BLS wage growth.

Had ODP consistently applied its original methodology to determine direct care wages as published in ODP Informational Memorandum 075-12 on August 23, 2012, wage growth captured in proposed fee schedule rates would be significantly higher. The table below reflects this, including overtime and wage-related benefit cost factors, using the only currently available published BLS wage data as of May 2020. If trended forward to December 31, 2021 using the Consumer Price Index, these figures would increase by an additional 8.74%.

DSP Compensation Growth Using Most Recent Published BLS Wage Data, May 2020

Occupation Code (SOC)	Occupational Title	BLS Baseline			Total DSP Compensation Increase		
		May 2015	May 2020	Pct. Increase	Average Wage	Overtime+5%	ERE+15.85%
21-1015	Rehabilitation Counselors	\$ 18.56	\$ 20.52	10.56%	18.20%	19.10%	22.13%
21-1093	Social and Human Service Assistants	\$ 14.75	\$ 17.09	15.86%			
31-1011	Home Health Aides	\$ 10.58	\$ 12.75	20.51%			
39-9021	Personal Care Aides	\$ 10.65	\$ 12.75	19.72%			
39-9041	Residential Advisors	\$ 12.54	\$ 15.59	24.32%			

Converting this to the minimum rate increase necessary to fund this level of wage growth should yield a minimum rate increase of 15.43% ($69.72\% \times 22.13\% = 15.43\%$). The table below compares this figure to the proposed increases in critical service categories that represent 69% of the estimated spending on claims identified by ODP.

Service Category	Projected Claims	DSP Comp	BLS Comp	Min Rate	ODP	Estimated	Shortfall	Shortfall
	Appendix J	% of Claims	Increase	Increase	Proposed	Dollar Increase	in %	in \$
CPS	\$ 523,774,149	69.72%	22.13%	15.43%	9.02%	\$ 47,244,428	6.41%	\$ 33,568,874
Residential Habilitation	\$ 2,023,933,143	69.72%	22.13%	15.43%	8.29%	\$ 167,784,058	7.14%	\$ 144,489,316
Supported Employment	\$ 31,592,958	69.72%	22.13%	15.43%	1.32%	\$ 417,027	14.11%	\$ 4,457,462
Small Group Employment	\$ 15,801,030	69.72%	22.13%	15.43%	5.69%	\$ 899,079	9.74%	\$ 1,538,868
								\$ 184,054,519



An estimated shortfall of over \$184 million in total funds is produced from this analysis of critical service categories. In addition to wages and overtime, TPA has identified significant deficiencies in the rate assumptions used by DHS to determine health insurance and program administration.

According to ODP, over 6,500 participants have lost services throughout the pandemic (58,000 are enrolled in ODP programs and eligible for services) and 27% of open positions were vacant based on provider survey results from September 2021.

A subsequent review of fee schedule rates under current regulation would not be required until January 1, 2025, with no mandate to increase rates. ID/A services are designed to support an individual throughout a lifetime and needs are likely to increase, not decrease, over that time. Quality and sustainability over a lifetime cannot be accomplished without an annually applied index to keep pace with inflation.

In contrast, DSP-equivalent Residential Services Aide positions at PA State Centers were guaranteed seven pay raises over the four-year period spanning 2019-2023. TPA supports Pennsylvania House Bill 92 as the mechanism to accomplish annual cost of doing business adjustments to fee schedule rates through a nationally-recognized annually-applied market index.

The TPA Equal Pay for Equal Work campaign has consistently requested a total investment of \$541 million into ID/A fee schedule rates to establish parity with the average wage at PA State Centers. On average, community DSPs earn \$14.38 per hour versus \$18.66 at State Centers, which is 29.8% higher. Given the \$405 million proposed investment into the proposed fee schedule, another \$136 million is needed to achieve this objective. At anticipated federal matching levels for fiscal year 2022-23, this would require only \$65 million in state dollars.