



Fact Sheet
ODP Fee Schedule Rates
February 1, 2023

Under applicable Pennsylvania regulations, the Office of Developmental Programs (ODP) must, at least once every three years, update the data that is used to establish the Fee Schedule Rates for Intellectual Disability and Autism (ID/A) services. ODP must use a market-based approach to establish the Fee Schedule Rates.

New rates became effective January 1, 2022, updating the fee schedule rates established for FY 2017-18, which commenced on July 1, 2017. Chapter 6100 regulations were not adopted until October 5, 2019; therefore, the state interpreted that no update was required until three years thereafter.

With one full year of services reimbursed through the new fee schedule rates, and taking account of information we have acquired under the Right to Know Law regarding the rate development process and application of the rate-setting methodology, we believe that the following facts are evident:

1. The Commonwealth limited its investment into ID/A fee schedule rates to \$400 million, using funds allocated to ODP from the American Rescue Plan Act (ARPA).
2. The U.S Department of Labor's Standard Occupational Classification (SOC) codes and weightings used to replicate Direct Support Professional (DSP) wages were modified from the previous fee schedule. Wages for the previously adopted SOC codes increased by 18.2% from May 2015 to May 2020 (The most recent annual published reports at the time fee schedules were developed).
3. For the majority of services ODP set the lower bound DSP wage at the 25th percentile to establish the range of rates. The lower bound DSP wage was set at \$14.78 per hour to reflect the minimum wage requirement in Philadelphia (\$14.25 plus an adjustment of 5% for overtime applied to full-time employees), despite the fact that the ODP-selected SOC codes produced a higher figure of \$15.38. An earlier version of the proposed fee schedule had set the lower bound wage at \$16.54 per hour (applying an adjustment factor of 10% for overtime).
4. Within the lower bound wage, an overtime adjustment factor of 5% was embedded into wage rates for full-time employees earning up to \$35,568 annually, incorrectly presuming that any position earning more would not qualify for overtime pay. The Fair Labor Standards Act does not permit exemption from overtime for certain positions, such as DSPs and nurses based on their duties and responsibilities, regardless of the amount earned.
5. ODP rate assumptions cite the need to address replacement costs related to a 24% staff turnover rate, 7-10 training days, 3 new hire training days, 10-25 PTO days, and 11 federal holidays per year, per employee. The 5% overtime factor does not sufficiently cover these replacement cost assumptions.



6. Health Insurance monthly expense was reduced from \$617 per month in the assumptions used to develop the 2017-18 fee schedule rates to \$571 per month in the assumptions used to develop the current fee schedule that became effective January 1, 2022.
7. Administration expenses were calculated at 10% of program expenditures, without detailed analysis of the administrative functions necessary to support Medicaid waiver requirements, or mandates imposed by federal, state, and local authorities.
8. The number of recipients receiving Community Participation Support (CPS) services remains significantly lower than pre-pandemic levels.
9. The inflation factor used to trend SOC code wages from the last BLS published annual report in May 2020 to January 1, 2022 was 3.5%. The consumer price index for all urban consumers (CPI-U) for the same period increased by 8.74%.
10. The annual inflation rate in 2022 was 6.5% (Bureau of Labor Statistics, USDL-23-0017, January 12, 2023). The current fee schedule rates include no adjustment for inflation and are likely to remain in effect until at least January 1, 2025.

Each of these issues support the argument for additional investment in fee schedule rates. Service capacity has declined and without an inflation factor for three consecutive years, the DSP workforce will fall further behind in the marketplace, increasing the likelihood of further reduction and elimination of services. This will inevitably result in fewer available community services and more individuals receiving fewer services or no services at all. An added burden will be assumed by individuals and their family members with no available service options.

There are currently more than 12,000 people on the Pennsylvania waiting list for ID/A services (5,400 are classified with emergency need and another 4,600 in the critical need category). Pennsylvania's planned closure of two of its State Centers requires the transfer of people to other state operated facilities due to the lack of service capacity in our local communities resulting from the workforce shortage.

Please visit our website or contact us for more information and to learn more about how to support efforts to increase funding for our workforce and the many people who rely on them for care and support.

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