

Direct Support Professional (DSP) Wage Pass-Through

On January 19, 2007, the Department of Health and Hospitals (DHH) received approval at the Joint Legislative Committee on the Budget for a \$2.00 per hour "Wage Pass-Through" for Direct Support Professionals. Due to the crisis situation that has resulted from an insufficient direct support workforce, DHH is in the process of promulgating emergency rules to allow the money to be utilized in an expedient fashion. The following is a summary of the basis tenets of the rules and the process that will occur over the next several weeks in order to implement the increase.

- The covered services that will receive a rate increase are:
 - Individual and Family Support Services (day and night) in the New Opportunities Waiver (NOW)
 - Family Support Services in the Children's Choice Waiver
 - Facility Specific Daily Rate in private Intermediate Care Facilities for Persons with Developmental Disabilities (ICFs/DD)
 - Personal Care Services in EPSDT (Early and Periodic Screening, Diagnostic, and Treatment) Services
 - Facility Specific Daily Rate in Adult Day Health Care
 - Facility Specific Daily Rate in private Nursing Homes
 - Companion services in the Elderly and Disabled Adult waiver
 - Long Term Personal Care Services

- Service providers will be required to submit a certified wage register to the Department verifying all direct support wages and benefits paid to the direct support professionals for the quarter ending June 30, 2005. The report will establish a payroll baseline for each provider. Providers that already submit cost reports (nursing homes, ICF/DDs, and Adult Health Care Wavier providers) may utilize other methods of providing the required information.

- For the quarter ending June 2007, providers will be required to submit another quarterly report with the same information. This report must verify that all employees received a minimum wage of at least \$6.65 hour (Minimum Wage \$5.15 hour + \$1.50 Wage Pass Through). It must validate that all of the allotted amounts went to the wages or benefits of the direct support professionals included in the rate increase. At least one dollar and fifty cents (\$1.50) of the allotted amount must go directly to the wages of Direct Support Professionals. Up to fifty cents (\$.50) could be used to pay employer payroll taxes, FICA, workman's comp insurance, unemployment insurance and employee benefits such as retirement plans (401k), annual and sick leave, short and long term disability, and health insurance.

- These procedures allow for some flexibility of the implementation of the rates. It provides that all funds must go to direct support workforce but this will not mean that every worker will receive a wage increase and the amounts will depend on provider implementation. It does mean that between June 2005 and June 2007 there must have been an increase in direct support wages and benefits that corresponds to the amount of reimbursement they received. It also means that all direct support workers will receive a minimum of \$6.65 per hour working in the services described above.

Next Steps:

- The emergency rules will be distributed as soon as they are published. They were signed and sent for publication on February 1, 2007 – as we must allow a week for publication which means that the implementation date is **February 9, 2007**.
- The Department will send information to providers on specific reporting requirements and formats as soon as they are finalized.
- Appropriate audit procedures will be established by DHH to verify the intent of the Wage Pass-Through.
- DHH will review the possibility of increasing rates for direct support workers providing vocational services in the NOW and Supports Waiver as these were not included in the amount currently approved for funding.