

Adams-Moore, Denise

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From: Diane Conway <dconway@maxassociation.org>
Sent: Monday, September 18, 2017 2:01 PM
To: PW, ODPComent
Subject: Comments on Advance Notice of Final Rulemaking
Attachments: Comments on Advance notice of Final Rulemaking.docx

Please accept the attached as comment for the ODP Advance Notice of Final Rulemaking.

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Ms. Julie Mochon
Human Service Program Specialist Supervisor
Office of Development Programs Department of Human Services
Room 502
Health & Welfare Building
625 Forster Street
Harrisburg, PA 17120

September 18, 2017

Please accept this as MAX Association's comments on ODP's Advance Notice of **Final Rulemaking**.

MAX Association is a regional provider association in South East Pennsylvania representing organizations serving individuals with Intellectual/Developmental Disabilities and Autism. The comments herein are a confluence of feedback from these member organizations.

First I wanted to thank ODP for the opportunity to comment not only through this process, but also in prior discussions. From a provider perspective, it is critical that the rate setting methodology results in a payment system that is predictable and reliable and includes fair rates that fully cover the cost of services.

The rate setting methodology first adopted in 2012 and unchanged since, includes a fundamental flaw in that payments are based on costs that were and continue to be inadequate to cover the true costs of services and additionally are always several years behind today's understated costs. Providers have had and continue to have a serious challenge recruiting and retaining direct support professionals, the foundation of the service system. The inability to pay staff a family sustaining wage has led to a DSP crisis with high turnover and abundant vacancies.

Therefore, going forward, any rate methodology must include two basic components:

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- The ability of providers to compensate DSPs at a family sustaining level which in Pennsylvania is \$15 an hour. The assumption that providers can continue to pay DSPs the current poverty level wages is faulty and dangerous. Having rates established with this foundation will enable providers to address that current DSP crisis.
- The ability to annually adjust rates based on a nationally recognized index. The rate setting methodology must start with payments that actually cover the costs of providing the services in today's economy with the automatic opportunity to annually increase as the costs of those services increase each year. The assumption that costs stay the same level each year is faulty as costs related to both federal and state mandates such as increased staff training as well as common costs such as various insurances increase each year.

Additionally, during the establishment of the rate setting methodology, ODP published a proposed geographic differential in rates. Many objective sources indicate basic costs of living such as housing, food, transportation etc. are substantially higher in the South East Pennsylvania region, ODP must explain why that geographic differential was changed statewide rates. Not only does an organization have to pay higher costs to accomplish its mission in this region, they must pay staff higher compensation so their purchasing power is equal as the costs of goods and services are higher in this region.

On a more specific note, MAX is very concerned with the rates established for services provided to families and individuals living in their own homes (In Home Community Supports, Companion and Respite). MAX has stated before during the rate establishment process, there is great concern that the habilitation rates remain at a level that is considerably lower than the cost to provide them. The rates, we believe, use a couple of faulty assumptions.

In particular;

- The productivity percentage used in the assumption is too high and should be in the range of 70-75% taking into account paperwork, travel, training and other mandatory compliance requirements that are not direct services.
- The second assumption which MAX believes is faulty is the one used for staff training. The assumption for the cost of staff training is well below the actual cost it takes to accomplish staff acquiring the skill set to safely perform the services. Additionally, the rate assumptions do not take into account staff administering any medication or other medical procedures such as catheters or ventilators.

As a result of the current inadequate established rates, MAX sees providers discharging people from these services or not accepting any new referrals because they simply cannot afford to keep losing money on these services. We see (and this is supported by the Administrative Entities in

our area) a real access problem and fear despite ODP's direction for family based services that they will go extinct if these rate setting assumptions are used.

Diane Conway

Diane Conway, PhD.
Executive Director

