



11% Rate Reinstatement Needed for APD's HCBS Waiver (iBudget)

- In July 2003 the State of Florida adopted the Mercer Rate system that established uniform rates for most of the 30+ waiver services. The rate system was based on direct care wages funded at the 25th percentile compared to national averages for wages.
- Since July 2003, these waiver reimbursement rates have undergone multiple cuts totaling 20-25% in several cases. While some rate increases have occurred since 2003 such as a 3% increase for three key services (Residential Habilitation, Adult Day Training, and Personal Supports), there has not been a systematic across-the-board rate increase since 2003. While the 2016 rate increases of 3% offered some relief, providers report hiring direct care staff at current reimbursement rates is at a crisis point.

Consider

- The Florida Minimum Wage has increased from \$5.15 per hour in 2003 to \$8.10 per hour in 2017, a 57% increase. This mandated increase in minimum wages occurred during the same years providers experienced significant rate reductions as part of the Great Recession.
- The Consumer Price Index has increased 29% since 2003. Increased insurance costs for agencies such as employee health care, unemployment compensation, workers' compensation, and property have increased dramatically.
- Multiple unfunded mandates have increased the cost of care such as additional billing requirements, staff background screening, licensure rule requirements, staff training, and additional privacy and community integration standards per the federal Home and Community Based Services rule.
- Providers must have rate relief so they can meet the medically necessary needs of the individuals they serve. Remaining on the current path will continue the deterioration of a network that has seen a 30% drop in the number of providers since FY 07-08 (per 2015 data). Agencies who were providing multiple (two or more) services show a 42% reduction since FY 06-07 (per 2015) data.
- Low provider rates mean low direct care staff wages since staffing costs typically represent 75 - 80% of agency 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.

Solution

- An 11% rate increase for Residential Habilitation, Adult Day Training, Personal Supports, and Supported Employment services is required to help stabilize the APD iBudget service system.
- An investment of \$30.8 million in state funds, supplemented by \$46 million in federal matching funds, will stabilize the hiring crisis for provider agencies providing Residential Habilitation, Adult Day Training, Personal Supports, and Supported Employment services.