

HVSA Rates Update & Discussion

GOAL/OUTCOME: Update on plan for rates. There will be an opportunity for feedback, discussion and questions.







Why Rates?

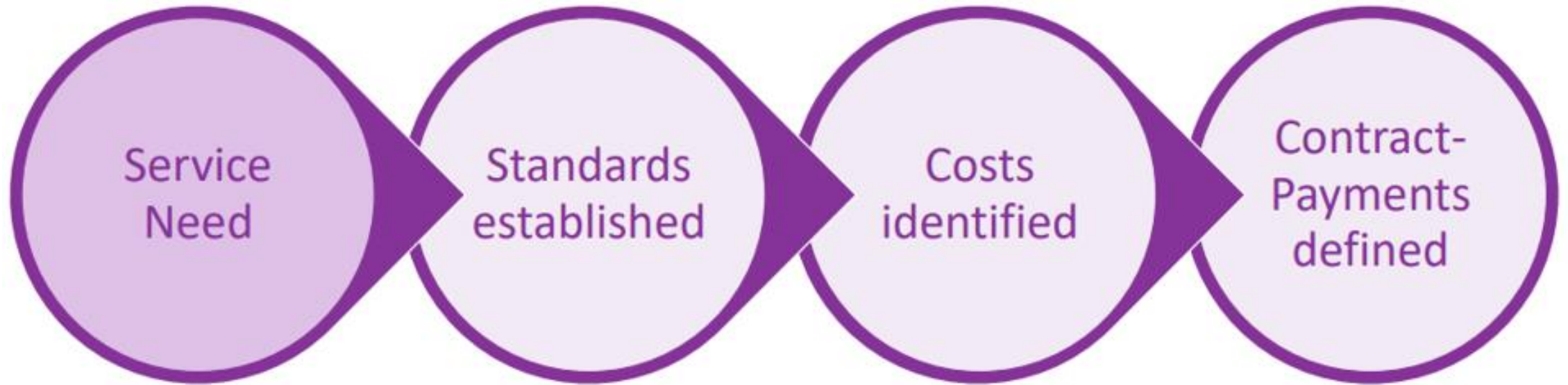
What is the Problem we're Trying to Solve?

- Many rates for contracted client service groups across DCYF are outdated, lack a rationale or methodology, do not fully reflect program requirements in the contract, and were developed under different methods that have led to substantial variation across service providers.
- Implementing properly-constructed rates should lead to –
 - More fairly compensating providers for work required in our contracts
 - Pay similar/same for similar work across the agency
 - Be scalable and sustainable to administer
 - Support a continuum of services

HVAC Recommendations

AREA	RECOMMENDATION	REPORT PAGE #	KEY STRATEGIES	BUDGETARY IMPACT	TIMELINE
TRUE COST OF SERVICE	1. LIA Funding Adjustments: The State of Washington should commit to a funding strategy that builds in regular adjustments for all programs to ensure equity and sustainability.	Page 18	<ul style="list-style-type: none"> a. DCYF Decision Package to the legislature to request funding increases for LIAs. b. In cases where funding cannot be increased to meet service costs, consider reducing the number of families served to align to the personnel costs supported by existing funding. 	<ul style="list-style-type: none"> \$\$\$ X 	<ul style="list-style-type: none">  
	2. Cost Study: The cost study work underway at DCYF should inform the development of a customizable, community-driven cost model within the next 12 months.	Page 18	<ul style="list-style-type: none"> a. Build upon historical cost data as well as the provider data collected in the development of this recommendation. b. Engage home visiting stakeholders in the design and implementation of a cost study and cost model (per True Cost recommendation #3). c. Conduct a compensation/wage study (per Workforce recommendation #1) to inform a cost model that provides funding for staff salaries and benefits. d. Study staffing patterns and other metrics that ensure quality service provision. e. Evaluate infrastructure needs associated with the other frameworks developing around workforce, data, and portfolio needs. f. Use the cost model to guide a formal request for funding increases, develop an ongoing cost evaluation approach, and guide future expansion funding requests. 	\$	
	3. Stakeholder Engagement in Cost Study: DCYF should continuously consult HVAC members and home visiting service providers throughout the cost study to ensure that the design and implementation of the HVSA funding approach is centered on community interests.	Page 20	<ul style="list-style-type: none"> a. Engage home visiting stakeholders, both HVSA and non-HVSA providers and other Washington home visiting funders, in the design and implementation of a cost study and cost model to build and inform a more cohesive statewide approach. b. Offer participation stipends to ensure equitable and wide-ranging engagement. 	\$	

How do you make a rate?

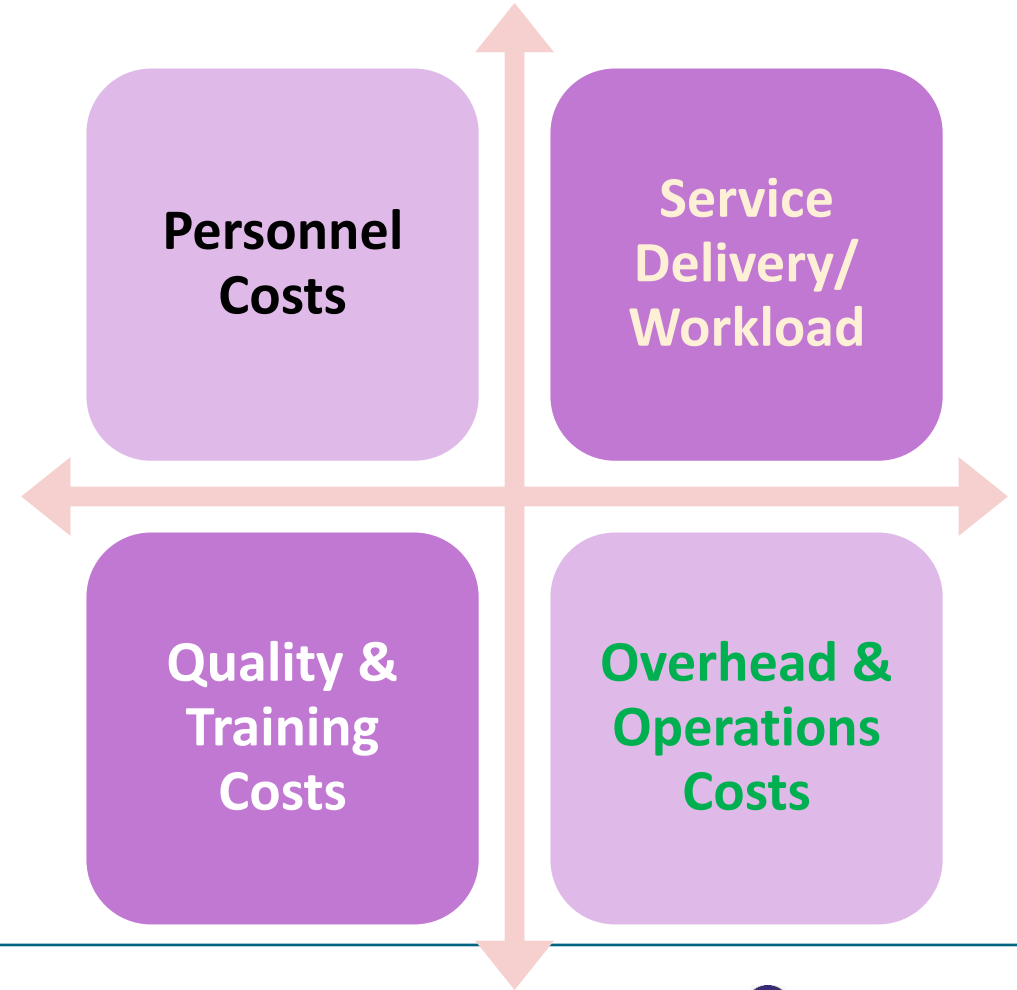


How Rates Are Built

Each of these cost areas are aggregated into the development of the rate.

Data is gathered and analyzed on all costs required by the contract.

Programs will use the overall rate, and not be required to apply the individual costs in their financial operations.



Approach to Equity

- Are we ensuring that the rate process does not further marginalize communities of color?
- Are we ensuring that BIPOC led/owned community agencies are not negatively impacted by the rate process? How will we know?
- Are we ensuring that rural communities and the agencies that serve them are not being disproportionately being impacted by the rates process?

Some Assumptions

- We do want to minimize reductions in slots as a balance with increasing funding. (See also HVAC Recos TC #1)
- We do want to maintain quality and impact as we implement rates

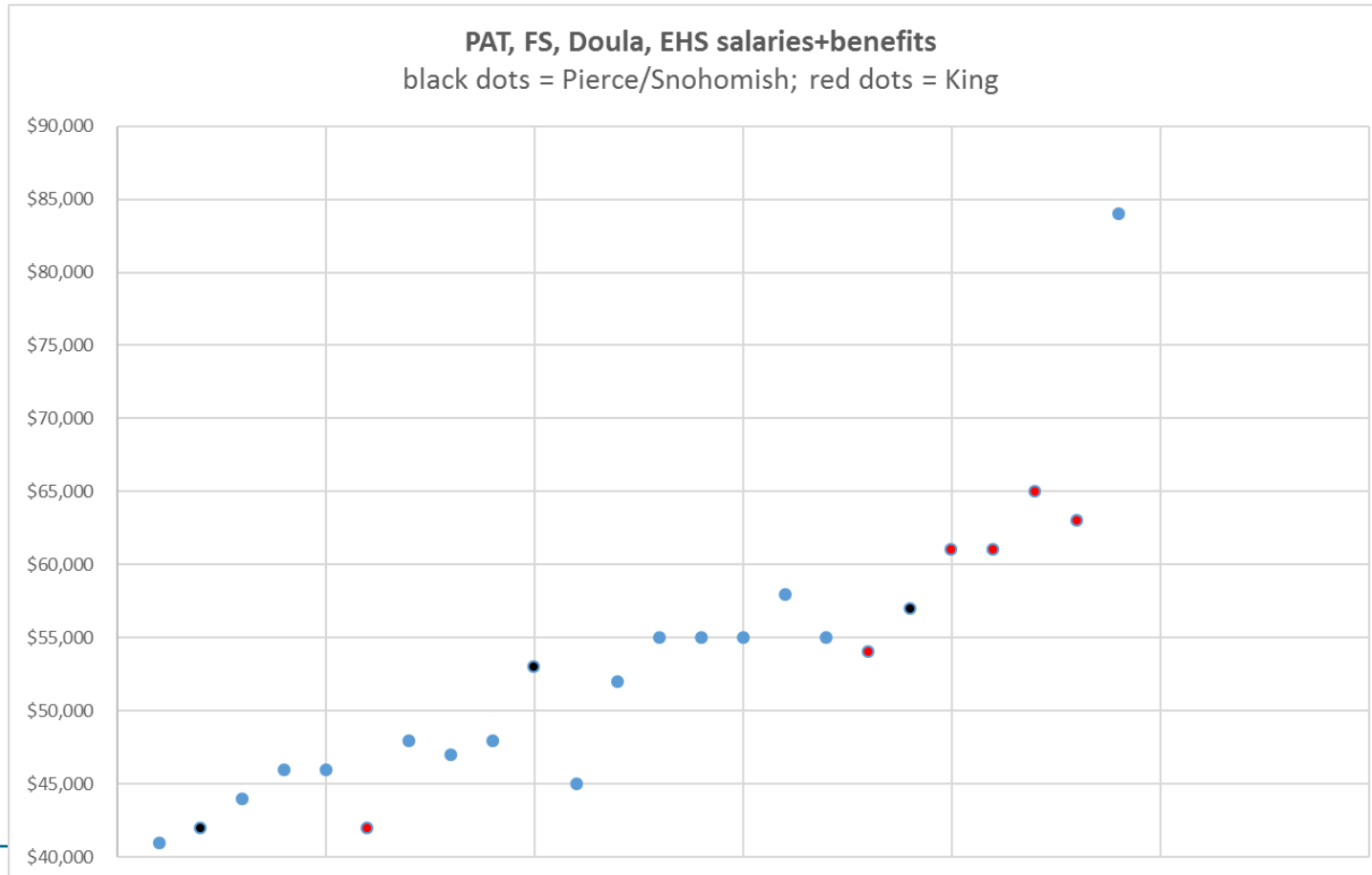
Tensions Inherent in Implementing Rates

(across DCYF service lines, not unique to HV)

- Standardization-Individualization Tension:
 - Some models and some providers will be further from the newly developed rate than others
 - Generally – providers who have been with us longer may be furthest away
 - Rate Model moves towards Standardization of Costs, previously individualized per organization at the time of application/organizational and program required budget
- Increase-Cost Tension:
 - Funds available support incremental increases, but often fall short of fully paying for costs associated with delivering the high-quality services
 - This may result in a slight reduction of slots and reduction in variation in caseloads expectations across model
- Slots-Families Served Tension:
 - Case rates (payment for families served) may result in a different capacity to serve families than cost reimbursement for slots

Illustrating Tension – distance for rate

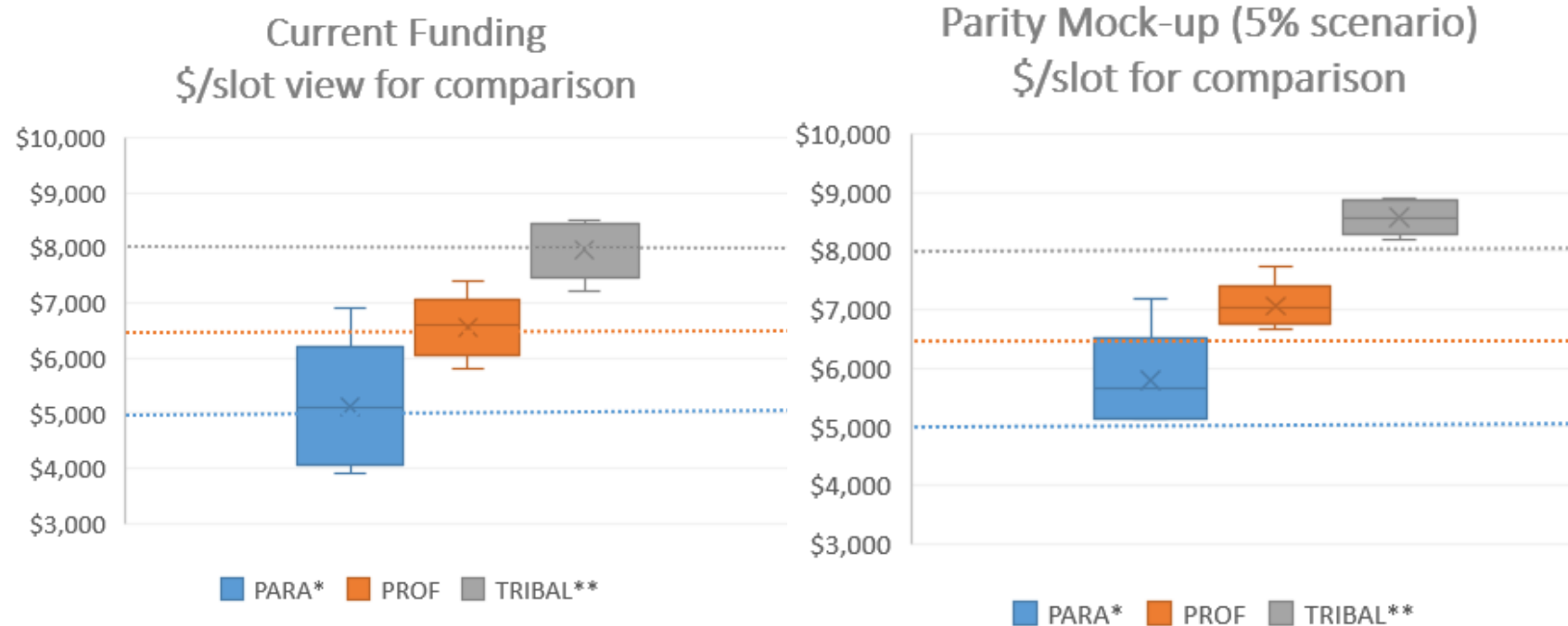
2021 Wage Analysis



The trend continues when including benefits in the picture, however, the LIAs rearrange on the spectrum a little due to variation in benefits rates, resulting in even less correlation between wages (sal+ben) and regions associated with high wage rates

Illustrating Tension – distance for rate

SFY22-23 New Home Visiting Funding:



Graphs exclude two LIAs, both funded at above \$10,000/slot.

What we've accomplished in HV-Rates

- In partnership with providers, we've gathered data with input from providers and are building rates on 6 HV models.
- We are working to build shared understanding (with models) of the drivers of the costs LIA are bearing to provide these services.
- With support from the legislature, we have ensured we have funds to provide increases for providers towards implementation of rates.
- We are working with HRSA to negotiate the implementation of rates for the MIECHV program.



Where are we now?

- State Funded only Models: 4 models moving ahead with rates for July 1, 2024
- MIECHV/State Funded Models: 2 rates delayed- interim budget increase for July 1, 2024
- Rates Exempt Models: 3 exempt – budget increase for July 1, 2024

DCYF is now working through policy decisions holding assumptions and grappling with tensions. Through model meetings and HVAC, DCYF is gathering more info to better address tensions and make informed decisions with info from LIAs, context, and reality of a phased approach for implementation and fully funding rates.



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CHILDREN, YOUTH & FAMILIES



Open Dialogue

True Cost Ad Hoc Group – is this something HVAC wants this group to work on?

Other questions or discussion for HVAC regarding DCYF Rate Setting

