



Pennsylvania Advocates and Resources  
for Autism and Intellectual Disabilities



August 24, 2023

Kristin Ahrens, Deputy Secretary  
Department of Human Services  
Office of Developmental Programs  
625 Forster Street  
Harrisburg, PA 17120

Subject: Request to Immediately Initiate Fee Schedule Rate Update

Deputy Secretary Ahrens,

We are writing to request an independent evaluation to update the data used to develop ODP's fee schedule rates in accordance with chapter 6100.571 regulation be initiated immediately. The urgency of our request is based upon the understanding that a rate analysis will require 90 days to complete and recognition that a substantial investment in rates will require credible data and analysis to be provided to the Commonwealth's Budget Office in advance of the Governor's next Executive Budget. We ask that a stakeholder committee representing individuals served by the community ID/A system, their families, and provider organizations be afforded the opportunity to actively participate in the rate review process and be advised on all recommendations prior to the publication of any proposed rates.

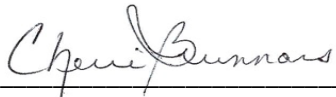
Current fee schedule rates, adopted effective January 1, 2022, relied upon published wage data from the U.S. Department of Labor (USDOL), Bureau of Labor Statistics (BLS) as of May 2020. To update this data from May 2020 to January 2022, wage data was trended by 3.5% (Mercer Government Human Services Consulting, FY 2021/2022 Fee Development, January 11, 2022, pp. 4-5). No further adjustment to account for future inflation was incorporated into the current fee schedule rates. Based upon USDOL published data inflation has increased from May 2020 through July 2023 by 19.23% (USDOL-BLS, CPI-U Historical Tables, U.S. City Average, Mid-Atlantic Information Office, July 2023).

Given the \$170 million in state funding recently reduced from the Governor's original budget proposed in March 2023, and the continuing struggles of service providers and families to hire and retain qualified Direct Support Professionals in the current economic environment, we are concerned that the Commonwealth will continue to spend less on services, and that the ID/A community will remain at risk for further reductions in funding. At Pennsylvania's current Federal Medical Assistance Percentage (FMAP) of 54%, \$170 million in state dollars translates to \$370 million in total funding that would otherwise be available to fund services at higher reimbursement rates.

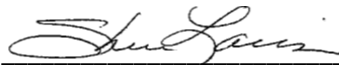
We are confident that Mercer Consulting, or any credible actuary, will conclude that current ODP fee schedule rates are substantially below inflation. Without a competitively compensated workforce to restore service capacity, underspending on services will continue. For these reasons, we further believe that a significant portion of the funding needed for this critical investment may already be available within the Community Waiver Programs line-item appropriation for fiscal year 2023-24. This would enable new rates to be implemented in the current fiscal year, and we request that after conducting the rate analysis that ODP adopt updated fee schedule rates at the earliest possible effective date.

Thank you for your consideration of this request and we look forward to your response. We would welcome the opportunity to meet with you to further discuss should you have any questions or concerns.

Sincerely,




**Cherie Brummans**  
Executive Director  
The Alliance CSP



**Sherri Landis**  
Executive Director  
The Arc of Pennsylvania



**Diane Conway**  
CEO  
MAX Association



**Mark Davis**  
President & CEO  
PAR



**Patrick DeMico**  
Executive Director  
The Provider Alliance



**Richard S. Edley, Ph.D.**  
President and CEO  
RCPA