

SENATE BILL REPORT

SB 5125

As of February 17, 2025

Title: An act relating to calculating the provider rate for certain community residential services.

Brief Description: Calculating the provider rate for certain community residential services.

Sponsors: Senators Lovick, Lias, Muzzall and Wagoner.

Brief History:

Committee Activity: Ways & Means: 2/17/25.

Brief Summary of Bill

- Requires the Department of Social and Health Services to use the King County classification for determining the provider rate in Snohomish County for certified community residential service businesses.
- Defines the provider rate as the rate for each tier that is specific to county categories.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Maria Hovde (786-7474)

Background: Community Residential Service Businesses. The Department of Social and Health Services (DSHS) Developmental Disabilities Administration (DDA) provides contracted community residential services for clients who meet Medicaid functional and financial eligibility requirements. A community residential service business means a business that is certified by and contracted with DSHS DDA to provide instruction and support to DDA clients, and includes the following:

- supported living—serves up to four clients living in homes owned, rented, or leased by the clients or their legal representatives;
- group homes—facility-based and serve two or more clients;

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- group training homes—facilities equipped, supervised, managed, and operated on a full-time basis by any person, association, or corporation on a nonprofit basis for the full-time care, treatment, training, and maintenance of persons with developmental disabilities; and
- licensed staffed residential homes—care for up to six child residents who are clients of the DDA, may employ staff, and may be a family residence.

Community residential services may include assistance with activities of daily living, such as bathing, dressing, and eating; instrumental activities of daily living, such as meal preparation and ordinary housework; and habilitation services. Depending on client need, services can range from a few hours per month to 24 hours per day. Clients receive services through a Medicaid waiver. The client capacity for community residential services is determined by legislative appropriation.

Community Residential Rates. A tiered methodology is used to determine the rates for community residential services providers. Nine tiers are used to match individual clients, whose residential support needs are identified through a DDA assessment process, with associated payment brackets based on cost of service. Actual rates paid to providers will vary based on the identified characteristics of each individual client and the county of residence.

The county classifications currently used by the DDA for community residential rates are King County, Metropolitan Statistical Area (MSA) counties, and non-MSA counties. The MSA classification represents a relatively free-standing metropolitan area that is not closely associated with other metropolitan areas. The federal Office of Management and Budget considers King, Pierce, and Snohomish counties as the Seattle-Tacoma-Bellevue MSA.

For the purpose of community residential rates, the DDA classifies Snohomish County as its own MSA county, along with Asotin, Benton, Chelan, Clark, Cowlitz, Douglas, Franklin, Island, Kitsap, Mason, Pierce, Skagit, Spokane, Thurston, Whatcom, and Yakima counties. All other counties are considered non-MSA areas.

Summary of Bill: DSHS must use the King County classification for determining the provider rate in Snohomish County for community residential service businesses.

The provider rate is defined as the rate for each tier that is specific to county categories. The act is null and void if specific funding is not provided in the omnibus appropriations act by June 30, 2025.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: Snohomish and King County share an MSA. MSAs are defined as a geographical region that includes a city and surrounding counties that are economically connected. DDA uses these MSAs to determine the rates of providers. A decision was made over 25 years ago to remove Snohomish County from the MSA shared with King County. The cost of living in Snohomish County is sometimes greater than in King County. The City of Everett is increasing its minimum wage by 21.5 percent over the state's minimum wage. With that change it is even more important to return Snohomish County to the appropriate MSA that is shared with King County. Providers are consistently struggling to find and keep qualified individuals to provide direct services to these clients. King County can pay higher rates and providers in Snohomish County struggle to compete. King County is less than nine miles away and this can cause Snohomish County to be a second or third choice for individuals. Direct support employees often have to work multiple jobs to make ends meet. Providers often serve clients with high behavioral support needs and they need the qualified staff to serve these clients.

Persons Testifying: PRO: Lee Phillips, Sunrise Services, Inc.; Melissa Eden, Sunrise Services, Inc.; Kiara Marth.

Persons Signed In To Testify But Not Testifying: No one.