



**ARRM**

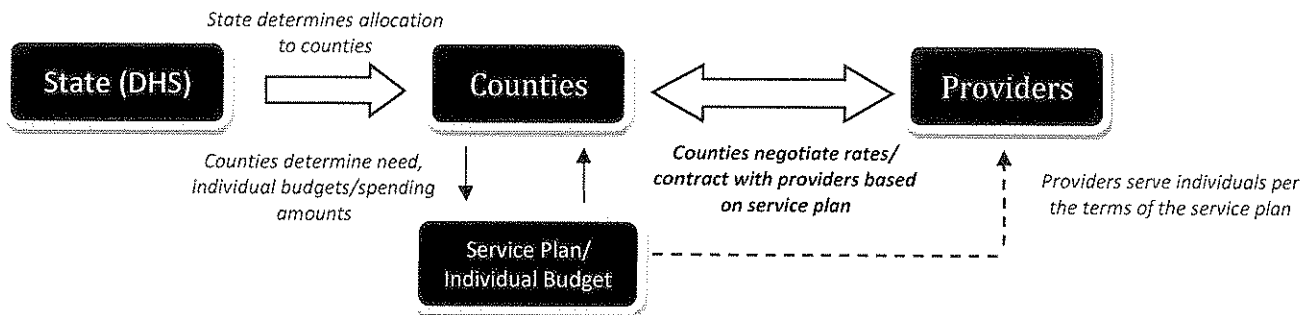
*ARRM leads the advancement of community-based services that support people with disabilities in their pursuit of meaningful lives.*

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## Disability Provider Rate Information and Background – HF 315

### Waiver Provider Rate Setting Process:



### Disability Providers Cost of Living Adjustment (COLA) History

	DD Waiver	CADI, CAC, TBI Waiver	ICF/MRs	CPI
SFY 04	-1.0%	-1.0%	-1.0%	2.3%
SFY 05	0.0%	0.0%	0.0%	2.7%
SFY 06	2.3%	2.3%	2.3%	3.4%
SFY 07	2.3%	2.3%	2.3%	3.2%
SFY 08	2.0%	2.0%	2.0%	2.8%
SFY 09	2.0%	2.0%	2.0%	3.8%
SFY 10	-2.6%	-2.6%	-2.6%	-0.4%
<b>Total</b>	<b>4.9%</b>	<b>4.9%</b>	<b>4.9%</b>	<b>17.9%</b>

**Disability provider rate increases are set by the legislature. No general adjustment takes place without a change in law – there are no underlying statutory adjustments for base rates to reflect underlying changes in costs.**

- Provider rate increases have not kept up with inflation – over the past 6 years, there is a 13 percent difference between rates and the CPI. HF 315 starts to remedy this by providing a 3 percent COLA to home & community based service providers and ICF/MRs
- Over three quarters - 76 percent - of payments to providers goes to employee compensation
- In years with a 50 percent Federal Medical Assistance Percentage (FMAP) rate, every \$1 change in state funding results in a net \$2 impact in overall funding to providers (i.e. \$2 million increase in MA funding results in an overall \$4 million in payments)

Economic Impact of ARRM Member Organizations (State FY 2010)	
<b>\$386,035,745 in Payroll</b>	<b>24,812 Jobs</b>

Source: 2010 ARRM Member Economic Survey