

REPORT TO THE LEGISLATURE

Individual Provider Overtime Quarterly Expenditures

RCW 74.39A.275 enacted by ESSHB 1725 in the 2016 Legislature

December 1, 2017

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1 Executive Summary

This is the third quarter report for Calendar Year (CY) 2017 expenditure report submitted by the Department of Social and Health Services (identified as “the Department” in this report) to meet the requirements outlined in RCW 74.39A.275 enacted by ESSHB 1725 in the 2016 Legislature. It provides data on the overtime hours worked by Individual Providers (IPs) for the reporting period July 1 – September 30, 2017. The key findings include:

- The number of overtime hours claimed by IPs for this period is 4.93%, down from 5.24% last quarter and remains below the limit of 8.75% set forth in RCW 74.39A.270;
- The number of overtime hours claimed and the number of providers claiming overtime have continued to decrease;

The Department continues to monitor the number of provided hours compared to authorized hours to determine whether adjustments in implementation should be made.

2 Purpose

In accordance with RCW 74.39A.275, enacted by ESSHB 1725 in the 2016 Legislature, the Department is providing the QTR 3 – CY2017 expenditure report for the time period July 1 through September 30, 2017. Each quarterly expenditure report contains the:

- I. Number of providers receiving payment for more than 40 hours/week
 - a. Including the number of providers who are meeting conditions of [RCW 74.39A.270](#) (5)(b)(i)(A), (b)(ii), (b)(iii), and (9)
- II. Number of hours paid and the amount paid for more than 40 hours in a work week including the:
 - a. Total amounts
 - b. Averages
 - c. Display of the distribution of the amounts
- III. Display of data by:
 - a. Department Region (1, 2 or 3) of consumer
 - b. County of consumer
 - c. Department program (AL TSA, DDA)
 - d. Specified for providers by the number of consumers they serve

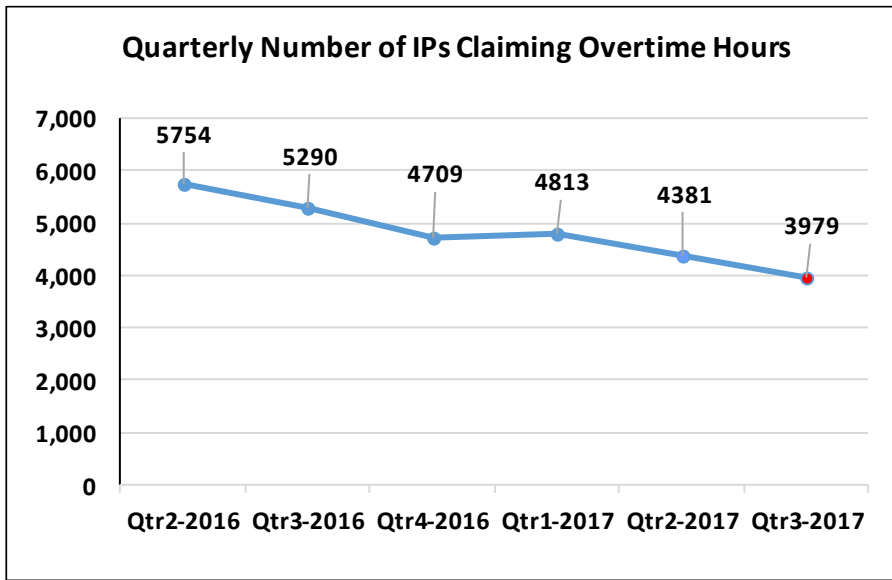
See overtime data and findings section, below, for additional information.

Please Note: The data provided in this report, particularly the last two weeks of September, is still maturing. Historically, the mature data is slightly higher (less than 0.5 percent) than what appears in the initial report.

Additional information about the Department’s implementation of RCW 74.39A.275 can be found in the [IP Overtime Spending Plan](#) submitted to the Legislature annually on July 1.

I. Number of providers receiving payment for more than 40 hours/week

For QTR 3 – CY2017, an average of 3,979 IPs claimed overtime hours each week.

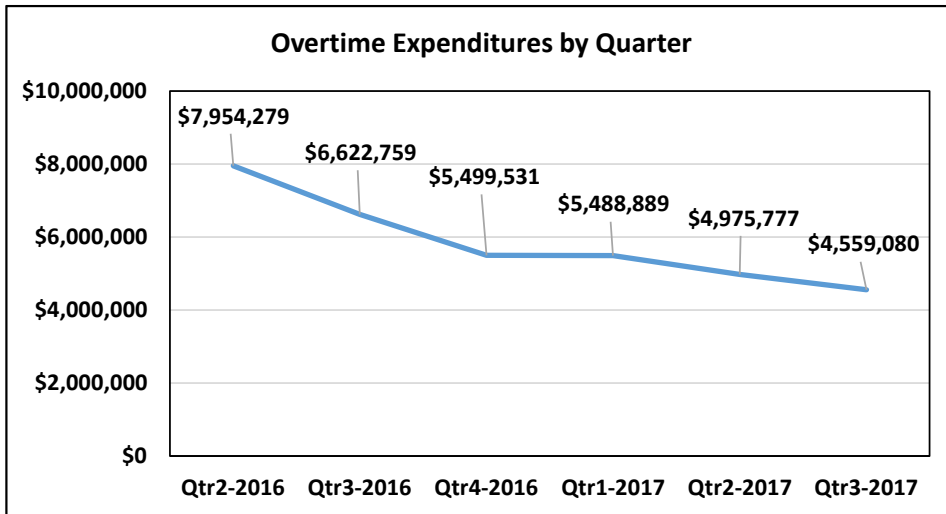


II. Number of hours paid and amount paid for more than 40 hours in a work week

By controlling overtime expenditures, while meeting consumer needs, the results are showing a reduction in the percentage of overtime utilization.

A. Total Amounts

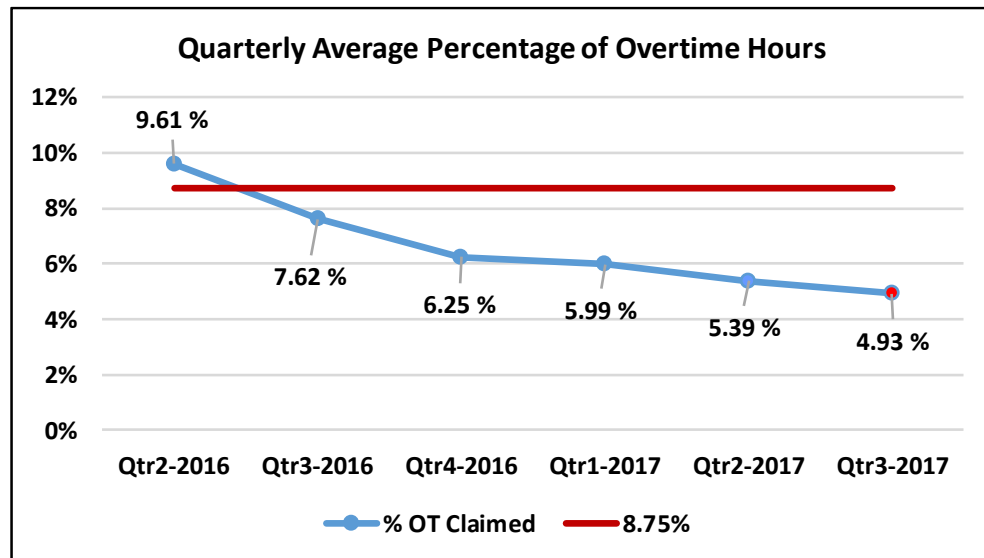
To date, the Department has expended just over \$35M in overtime payments to IPs. The expenditures continue to drop each quarter as the Department has put into place controls, and as staff, consumers, and providers have adjusted to the new rules. The most recent quarter's expenditures are 43% lower than expenditures that occurred for the first quarter following implementation of the rule, and 8% lower than the prior reporting period.



B. Averages

This chart, below, illustrates the percentage of overtime hours claimed continues to be below the 8.75% limit for QTR 3 – CY2017.

Work Week	Total OT Hours	Total IP Hours	Average OT Hours
07/02/17	56,590	992,756	5.70 %
07/09/17	52,939	974,393	5.43 %
07/16/17	46,732	942,024	4.96 %
07/23/17	41,810	901,281	4.64 %
07/30/17	44,902	935,039	4.80 %
08/06/17	50,151	972,240	5.16 %
08/13/17	43,020	921,999	4.67 %
08/20/17	40,918	903,734	4.53 %
08/27/17	34,421	845,836	4.07 %
09/03/17	48,578	942,819	5.15 %
09/10/17	44,691	915,105	4.88 %
09/17/17	44,188	867,690	5.09 %
09/24/17	39,495	824,947	4.79 %
Totals	588,434.75	11,939,860.25	4.93 %

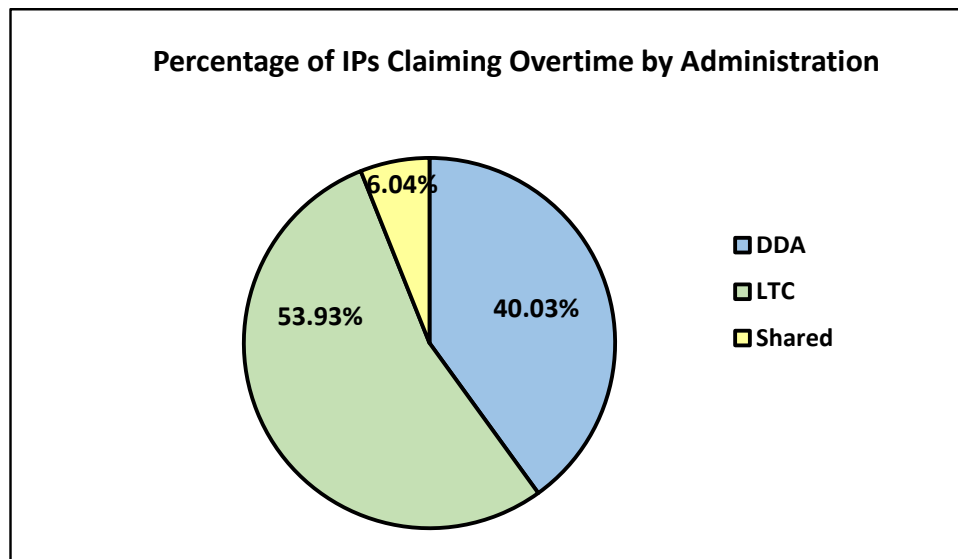


C. Distribution of the Amounts

The overtime hours worked by the 3,979 providers are split across DDA and ALTSA at a rate of 40% to 54%, with the remaining hours shared by IPs that work for consumers in both administrations for QTR 3 – CY2017.

Work Week	IP OT Hours Worked for DDA	Percentage OT hours worked by DDA IPs	IP OT Hours Worked for ALTSA	Percentage OT Hours by ALTSA IPs	IP OT Hours worked for DDA & ALTSA Consumers	Percentage OT worked by DDA & ALTSA IPs	Total IP OT Hours
07/02/17	21,857	3.71 %	31,232	5.31 %	3,501	0.60 %	56,590
07/09/17	20,546	3.49 %	29,135	4.95 %	3,258	0.55 %	52,939

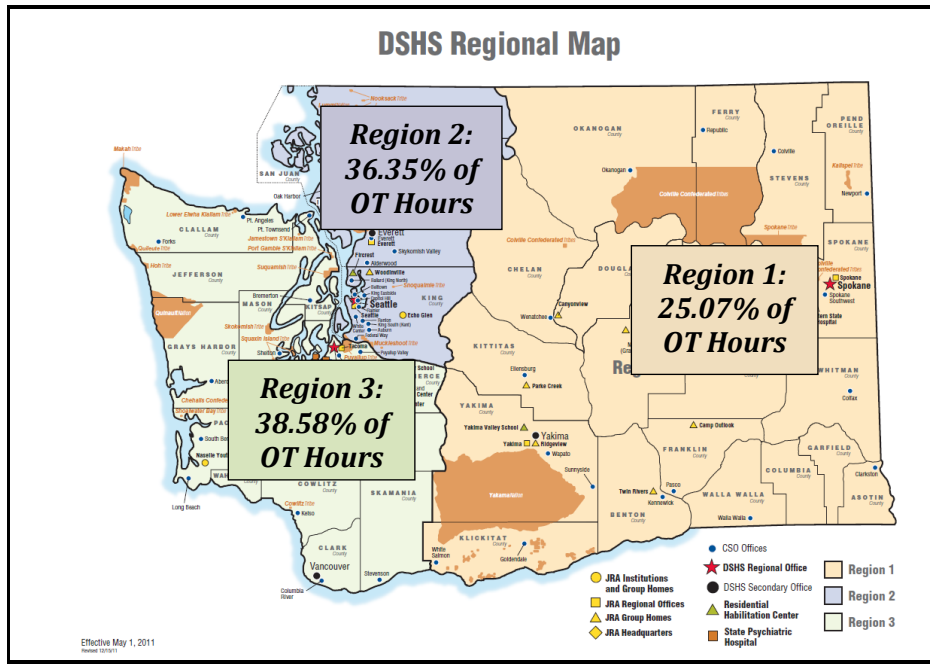
Work Week	IP OT Hours Worked for DDA	Percentage OT hours worked by DDA IPs	IP OT Hours Worked for ALTSA	Percentage OT Hours by ALTSA IPs	IP OT Hours worked for DDA & ALTSA Consumers	Percentage OT worked by DDA & ALTSA IPs	Total IP OT Hours
07/16/17	18,697	3.18 %	25,220	4.29 %	2,816	0.48 %	46,732
07/23/17	17,110	2.91 %	22,192	3.77 %	2,509	0.43 %	41,810
07/30/17	18,078	3.07 %	24,042	4.09 %	2,782	0.47 %	44,902
08/06/17	19,868	3.38 %	27,159	4.62 %	3,125	0.53 %	50,151
08/13/17	17,743	3.02 %	22,803	3.88 %	2,474	0.42 %	43,020
08/20/17	17,367	2.95 %	21,217	3.61 %	2,335	0.40 %	40,918
08/27/17	14,081	2.39 %	18,331	3.12 %	2,009	0.34 %	34,421
09/03/17	19,402	3.30 %	26,170	4.45 %	3,006	0.51 %	48,578
09/10/17	17,640	3.00 %	24,337	4.14 %	2,715	0.46 %	44,691
09/17/17	17,506	2.98 %	24,009	4.08 %	2,673	0.45 %	44,188
09/24/17	15,675	2.66 %	21,484	3.65 %	2,336	0.40 %	39,495
Total	235,567	40.03 %	317,331	53.93 %	35,537	6.04 %	588,435



III. Division Data

A. Department Region

The map below illustrates the regional organization of DSHS and the distribution of overtime hours reported by the three DSHS Regions:



B. County of Consumer

The table below illustrates a breakdown of consumer population, total hours paid, and overtime by the consumer’s county of residence for QTR 3 – CY2017. It excludes the small number of overtime hours worked by IPs with consumers in multiple counties.

County	Percent Consumer Count	Percent Paid Hours	Percent OT Hours
Adams	0.35 %	0.35 %	0.41 %
Asotin	0.28 %	0.33 %	0.51 %
Benton	3.09 %	3.34 %	3.57 %
Chelan	0.74 %	0.79 %	0.86 %
Clallam	0.83 %	0.86 %	0.84 %
Clark	9.08 %	8.86 %	9.31 %
Columbia	0.09 %	0.08 %	0.09%
Cowlitz	1.76 %	1.81 %	1.88 %
Douglas	0.29 %	0.37 %	0.51 %
Ferry	0.16 %	0.18 %	0.14 %
Franklin	1.70 %	1.80 %	1.80 %
Garfield	0.04 %	0.04 %	0.03 %
Grant	2.01 %	1.94 %	2.25 %
Grays Harbor	1.92 %	1.80 %	1.80 %

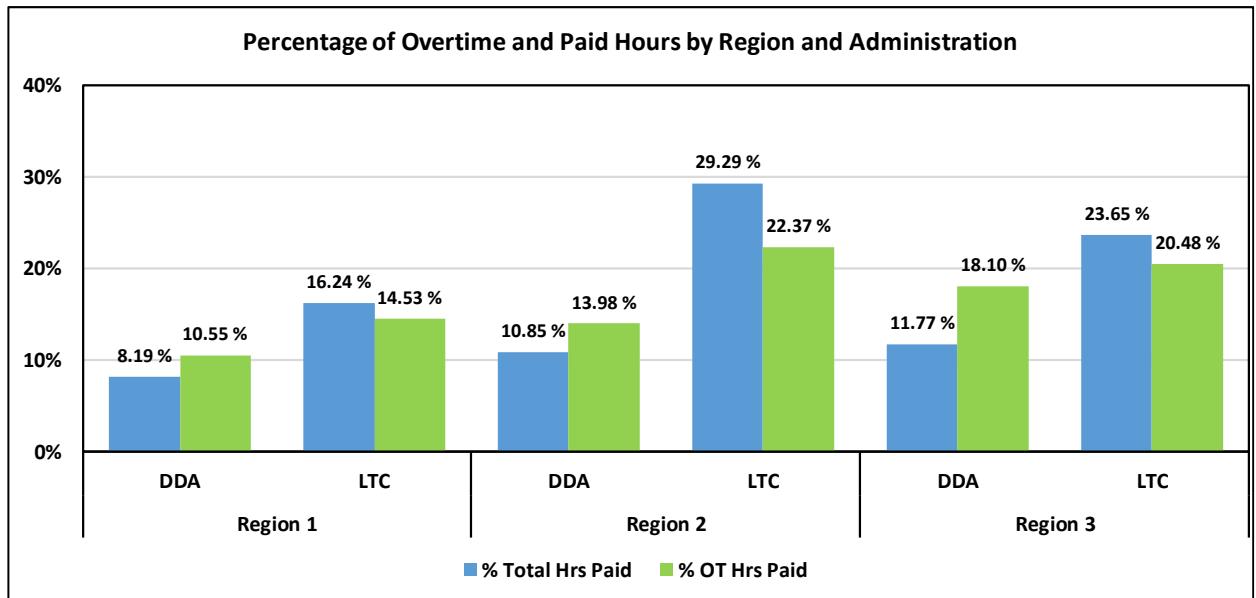
County	Percent Consumer Count	Percent Paid Hours	Percent OT Hours
Lewis	1.23 %	1.17 %	1.49 %
Lincoln	0.13 %	0.14 %	0.22 %
Mason	0.76 %	0.75 %	0.53 %
Okanogan	0.93 %	0.91 %	0.98 %
Pacific	0.52 %	0.48 %	0.42 %
Pend Oreille	0.29 %	0.27 %	0.19 %
Pierce	12.71 %	13.14 %	14.57 %
San Juan	0.05 %	0.05 %	0.01 %
Skagit	1.53 %	1.42 %	1.56 %
Skamania	0.16 %	0.14 %	0.12 %
Snohomish	9.23 %	9.14 %	9.13 %
Spokane	7.96 %	7.70 %	7.32 %
Stevens	0.73 %	0.79 %	0.89 %
Thurston	3.22 %	3.20 %	3.64 %

County	Percent Consumer Count	Percent Paid Hours	Percent OT Hours
Island	0.77 %	0.84 %	1.10 %
Jefferson	0.39 %	0.36 %	0.26 %
King	26.28 %	26.23 %	21.79 %
Kitsap	2.54 %	2.81 %	3.85 %
Kittitas	0.32 %	0.28 %	0.34 %
Klickitat	0.21 %	0.23 %	0.29 %

County	Percent Consumer Count	Percent Paid Hours	Percent OT Hours
Wahkiakum	0.05 %	0.06 %	0.13 %
Walla Walla	1.07 %	0.99 %	0.78 %
Whatcom	2.54 %	2.21 %	2.09 %
Whitman	0.20 %	0.20 %	0.27 %
Yakima	3.83 %	3.94 %	3.78 %

C. Department Program

The percentage of overtime paid in each region is consistent with the percentages of authorized hours in each region.



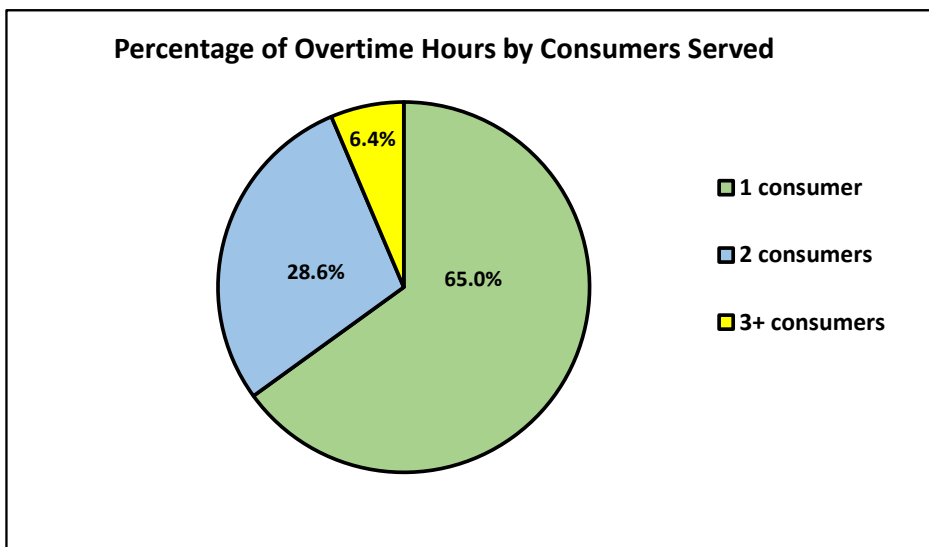
D. By Consumer Served

The data on overtime hours by the number of consumers served by the IP, for QTR 3 – CY2017.

Work Week	OT Hours IPs Serving 1 Consumer	OT Hours IPs Serving 2 Consumers	OT Hours IPs Serving 3+ Consumers
07/02/17	36,105	16,923	3,562
07/09/17	33,912	15,571	3,457
07/16/17	29,985	13,510	3,238
07/23/17	27,166	12,047	2,598
07/30/17	29,056	13,014	2,832
08/06/17	32,710	14,280	3,162
08/13/17	28,430	11,948	2,642

Work Week	OT Hours IPs Serving 1 Consumer	OT Hours IPs Serving 2 Consumers	OT Hours IPs Serving 3+ Consumers
08/20/17	27,319	11,074	2,525
08/27/17	22,830	9,446	2,146
09/03/17	31,397	14,257	2,924
09/10/17	29,174	12,731	2,786
09/17/17	28,582	12,574	3,032
09/24/17	25,857	11,042	2,596
Averages	29,425	12,955	2,884

The majority (65%) paid to IPs working with just one consumer. Approximately 29% of the overtime hours were paid to IPs serving two consumers, and the remaining 6% percent claimed by IPs serving three or more consumers each week.



IV. Work Week Limit and Impact on Overtime Hours

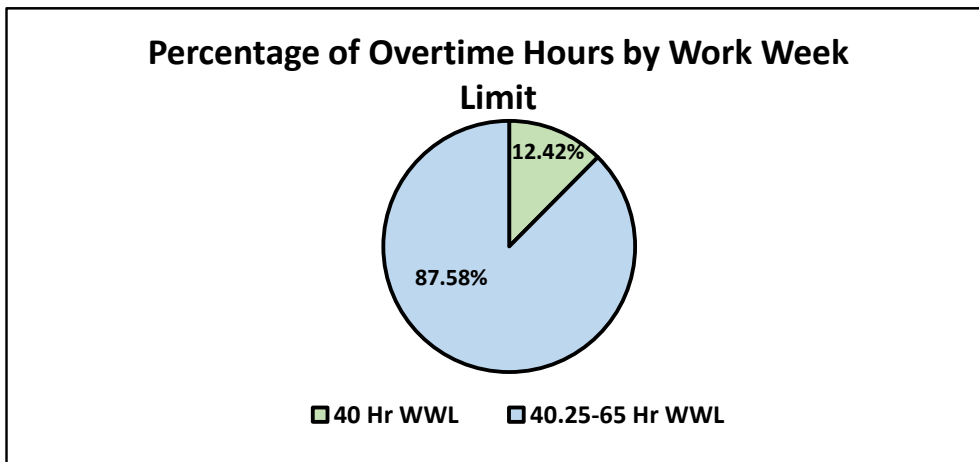
In accordance with RCW 74.39A.270(5)(b)(i), the Department established and assigned permanent work week limits to all IPs based upon average hours worked in January 2016. A work week limit is the maximum total number of service hours an IP can provide in a work week. Service hours are paid to an IP to provide personal care, relief care, skills acquisition training, or respite services.

In the original Legislative order, IPs with work week limits between 60.25 and 65 hours were to be reduced to 60 hours in FY18 and thereafter. This would have impacted 1,800 clients and 1,500 providers. Senate bill 5976, as passed in the third special session of the 2017 Legislature, extended the 65 hour work week limitation through FY18. Therefore, the Department will not be implementing actions to reduce work week limit maximums from 65 hours to 60 hours until FY19. The approach for reducing the work week limit in FY19 will be discussed at the next Task Force meeting, to be held in December 8, 2017.

A. IP Overtime Hours Reported Categorized by Work Week Limit

Nearly 88% percent of the overtime hours worked in this quarterly reporting period were worked by IPs who, based upon the statute, have a DSHS assigned permanent work week limit above 40 hours. This shows a greater proportion of overtime is worked by individuals who have permanent work week limits above 40. Overtime hours reported for these IPs include hours that are within their approved work week limit as well as hours that are above their limit.

Work Week	Percent OT with 40 Hr WWL	Percent OT with 40.25 – 65 Hr WWL
07/02/17	1.54 %	8.07 %
07/09/17	1.28 %	7.72 %
07/16/17	1.06 %	6.88 %
07/23/17	0.70 %	6.40 %
07/30/17	1.11 %	6.52 %
08/06/17	1.16 %	7.36 %
08/13/17	0.87 %	6.44 %
08/20/17	0.61 %	6.34 %
08/27/17	0.56 %	5.29 %
09/03/17	1.10 %	7.15 %
09/10/17	0.91 %	6.68 %
09/17/17	0.89 %	6.62 %
09/24/17	0.61 %	6.10 %
Total	12.42 %	87.58 %



3. Next Steps

The Department has implemented its plans to manage within the limits outlined in the annual Spending Plan. This includes reviewing requests to temporarily increase work week limits based upon criteria in the statute related to needs of consumers. The Department is also in the process of implementing contract actions for providers working over their work week limit without a valid approval reason as defined in the statute and WAC.

When an IP has claimed more hours than are allowed and approved by the Department, there is a multi-step contract action process intended to educate the IP and their consumer about the rules and support compliance with the statute:

- First Contract Action: IP and consumer are notified, in writing, that continuing violations may lead to contract termination. To date there have been 13,862.
- Second Contract Action: IP and consumer are notified, in writing that one more violation could lead to contract termination. To date there have been 3,666.
- Third Contract Action/Additional Warning: The Department considers individual cases and determines if IP contract termination is appropriate. If the IP contract is not terminated, the IP and consumer are notified, in writing, that continuing violations may lead to contract termination. If the IP contract is terminated, the IP and consumer are notified of contract termination and the consumer is offered assistance in locating a new, qualified care provider, if needed. To date there have been 653 Third Contract Actions/Additional Warnings.
- Third Contract Action/Consideration for Termination: To date there have been 53 IPs considered for termination. These IPs have 10 days from the date of their contract action notice to request a review of their termination if they believe the Department made an error. If, after the reviews are completed, we determine the department did not make an error, the terminations will be effective 30 days from the date of their contract action notice.

4. Conclusion

This quarterly report shows stabilizing data regarding the percentage of overtime worked. This is due to:

1. Consumers and IPs adjusting to the controls put in place by the Department to stabilize overtime;
2. Implementation of a resource page for consumers and IPs that includes scheduling tools, policy/procedure and various training videos (see www.dshs.wa.gov/altsa/IPOT);
3. For those IPs who have exceeded the work week limits, the Department implemented an outreach campaign to ensure the IPs and their consumers understand the overtime rules and the tools available to them to manage their hours;
4. Implementation of a contract action process and continued analysis of potential impacts;

Workforce availability continues to be evaluated as the Department works with consumers who have a high number of hours authorized.