

REPORT TO THE LEGISLATURE

Individual Provider Overtime Quarterly Expenditures

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

September 1, 2017

Aging and Long-Term Support Administration
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1 Executive Summary

This is the fifth quarterly 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 April 1 – June 30, 2017. The key findings include:

- The number of overtime hours claimed by IPs for this period is 5.24%, which is below the limit of 8.75% set forth in RCW 74.39A.270;
- For the fourth quarter in a row, the number of overtime hours claimed, and the number of providers claiming overtime have decreased;
- The overtime percentages are stabilizing as controls have become fully realized and impacted consumers, IPs and staff at the Department have adjusted to the changes;

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 this quarterly expenditure report for the time period April through June 2017, the fourth quarter of state fiscal year 2017. Additional information about the Department’s implementation 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
 - a. How many due to 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:
 - a. Total amounts
 - b. Averages
 - c. Display of the distribution of the amounts
- III. Display data in following divisions:
 - 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 initial data and findings section, below, for additional information.

3 Initial Data and Findings

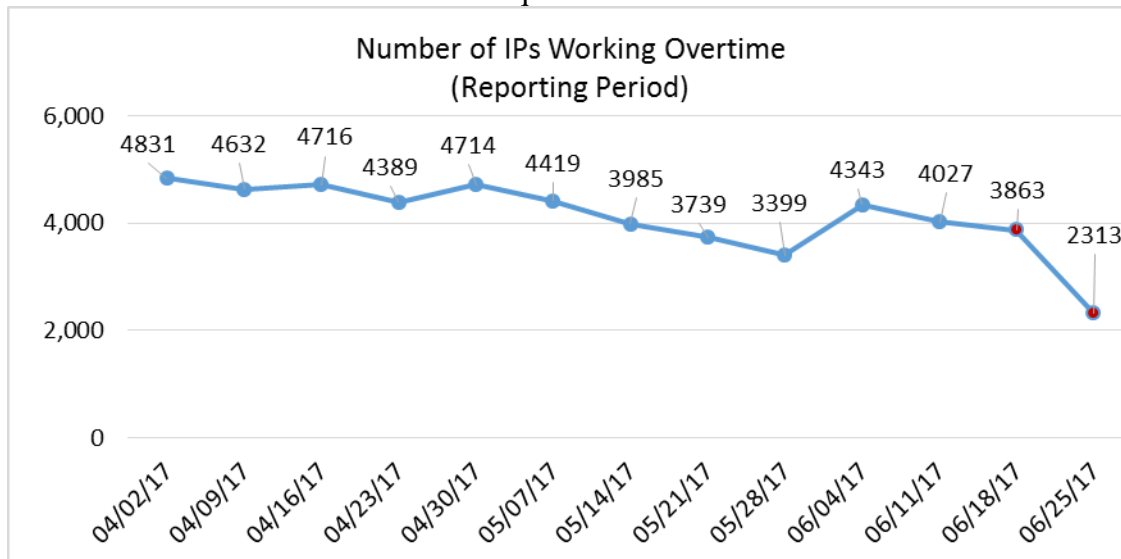
The data available is for hours worked and reported by individual providers (IPs) in a work week. Overtime expenditures began in April 2016. By April 2017, full overtime functionality was implemented in the IOne payment system.

IPs have up to 13 months to claim payment. The data provided in this report, particularly the last two weeks of June, is still maturing. Historically, the mature data is slightly higher (less than 0.5 percent) than what appears in the initial report.

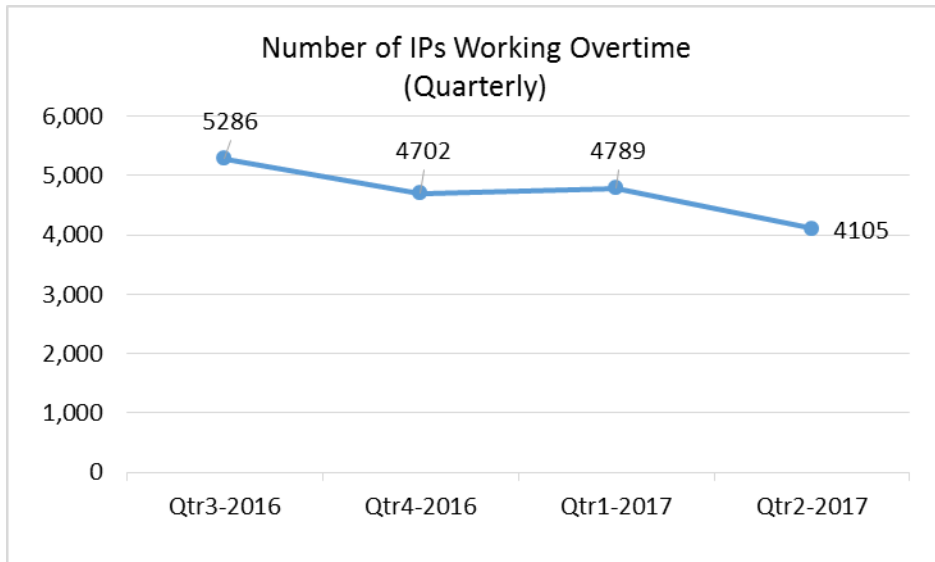
This report illustrates the overtime data for IPs in both the Aging and Long-Term Support Administration (AL TSA) and Developmental Disabilities Administration (DDA) and shows the overtime hours worked in the reporting period April 1 – June 30, 2017. It also includes historical data over the prior four quarters.

3.1 Number of Individual Providers with Overtime

The Department has implemented measures to manage overtime expenditures. For this reporting period, an average of 4,105 IPs worked overtime each week. The number of IPs working overtime has continued to decline each quarter.

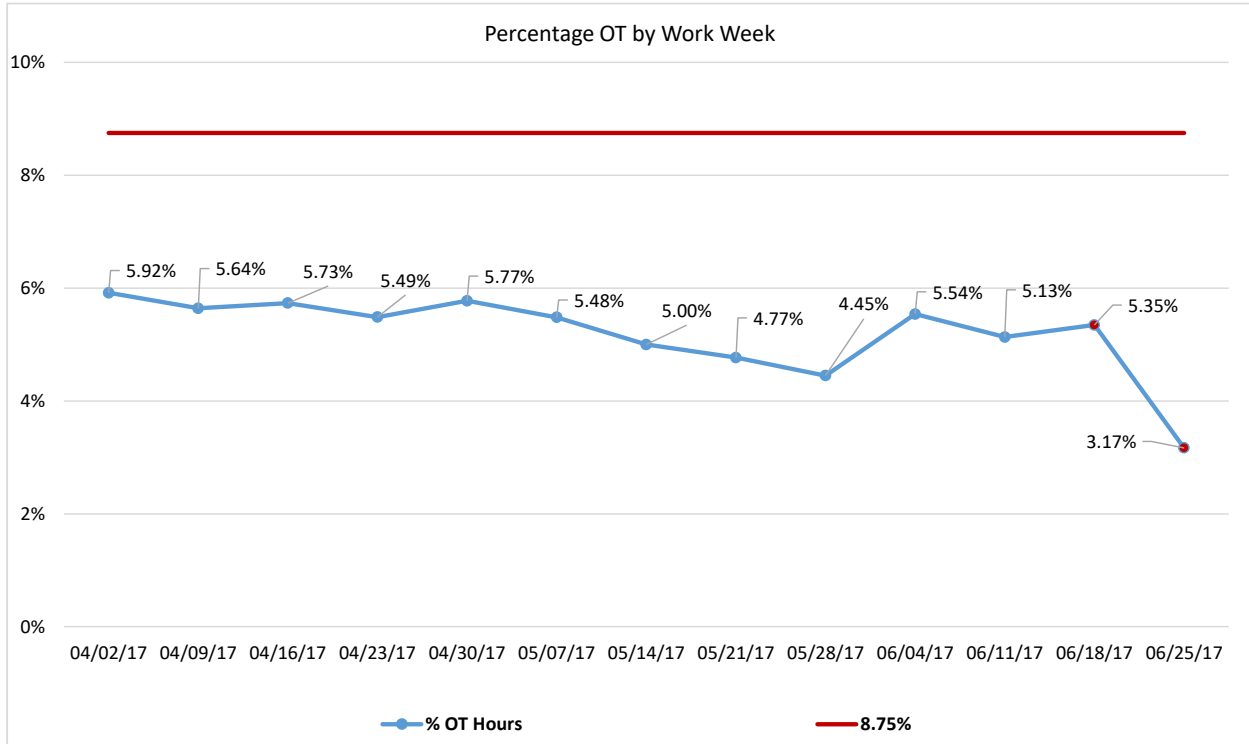


***Please note:** the data represented for June, and particularly the last two weeks of June, is not fully mature as of the date of this report. Fully mature data is expected to be slightly higher than shown.

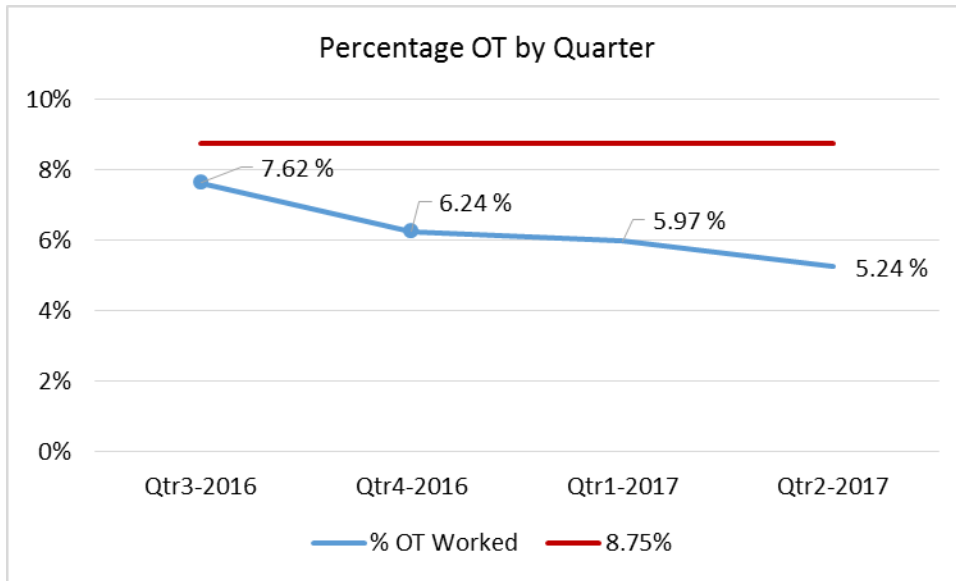


3.2 IP Overtime Hours: AL TSA and DDA combined

The percentage of overtime hours worked compared to all paid hours for this reporting quarter is 5.24 %, down from 5.97% for the prior quarter. The Department has continued implementing requirements outlined in RCW 74.39A.270, and has put in place controls to manage overtime expenditures within the allowable limit. The charts below illustrate that the percentage of overtime hours claimed each work week has varied slightly from week to week, as well as across the quarters. They also show how the percentages compare to the 8.75% limit.



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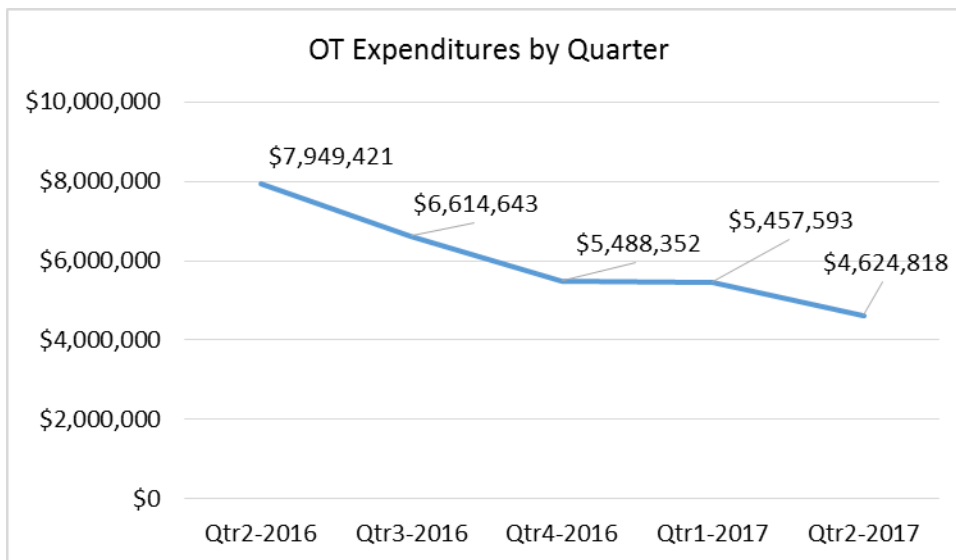


Please see [Appendix A](#) for complete data.

3.3 Overtime Expenditures

To date, the Department has expended just over \$30M 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 42% lower than expenditures that occurred for the first quarter following implementation of the rule, and 15% lower than the prior reporting period.

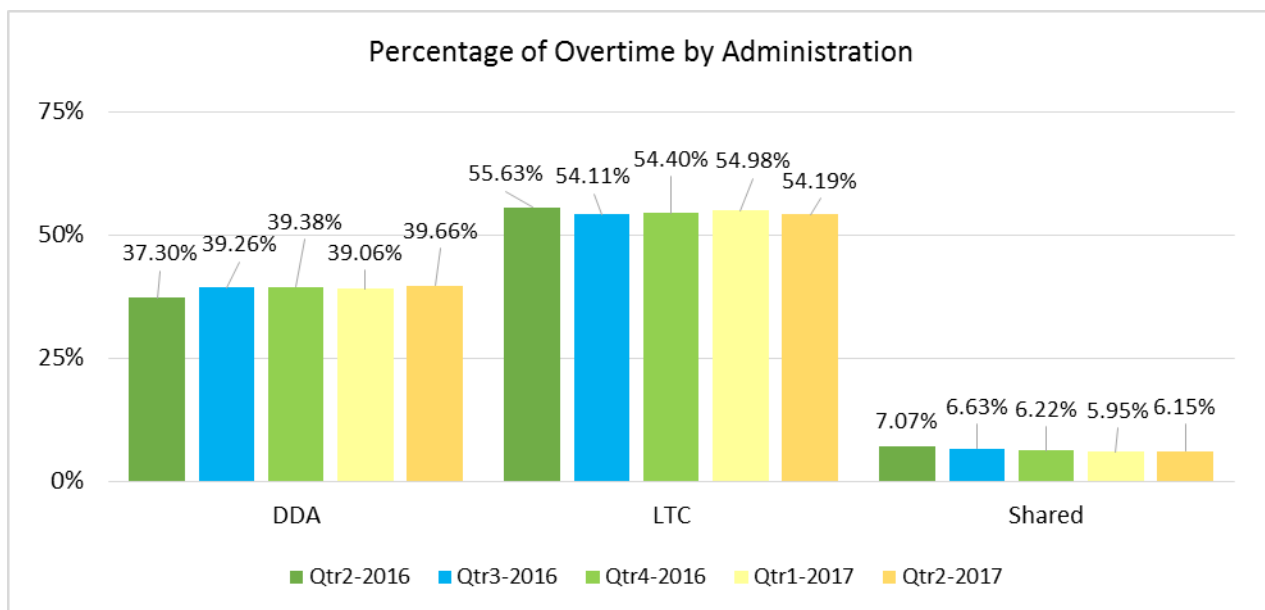
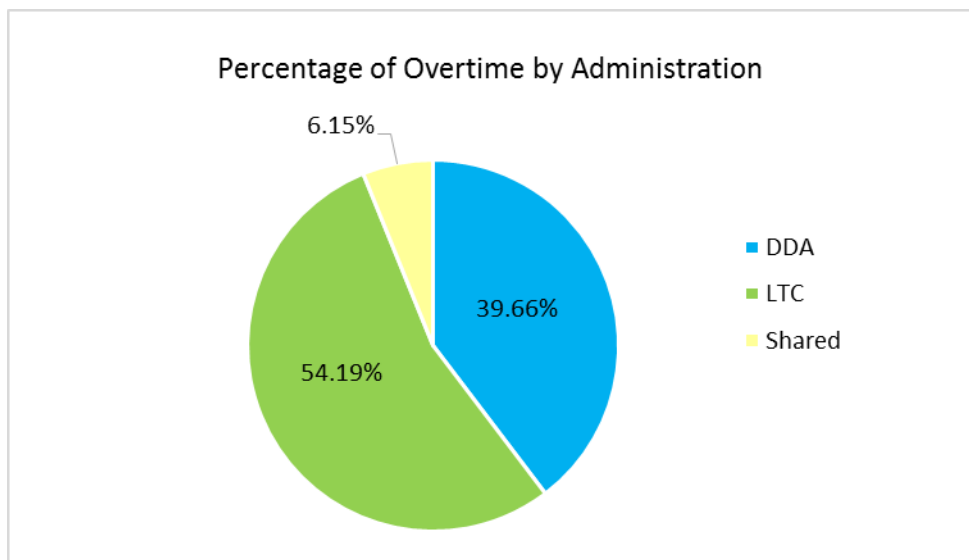
Beyond overtime, there are several other factors that influence total expenditures (e.g., rate increases as a result of collective bargaining agreements, etc.)



3.4 Comparison of IP Overtime by Administration

This quarter's expenditures show, on average, the overtime hours worked by the 4,105 providers are split across DDA and ALTSA at a rate of 39% to 54%, with the remaining hours shared by

IPs that work for consumers in both administrations (see charts below). This is consistent across all reporting quarters.



Please see [Appendix B](#) for complete data.

4 Work Week Limits 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.

Approved travel time, required training hours and paid time off are not included in an IP’s work week limit. The permanent work week limit is 40 hours for IPs who were paid for working an average of 40 hours or less in January 2016 or for providers hired after January 31, 2016. These

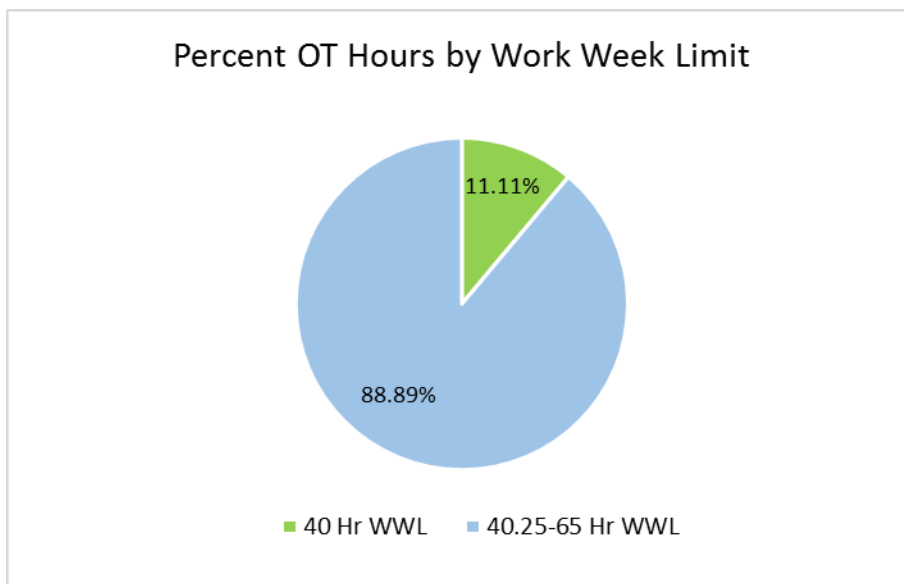
IPs may not work overtime hours without approval by the Department. The majority of IPs fall into this category.

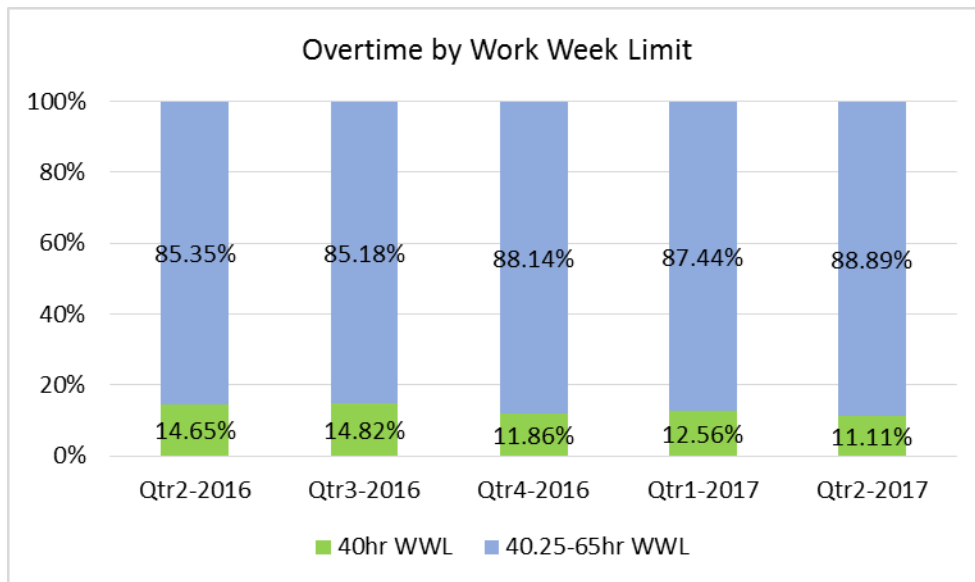
A smaller population of IPs have permanent work week limits between 40 and 65 hours if the IP was paid for working an average number of weekly hours over 40 in January 2016. If an IP was paid for working an average number of weekly hours over 65, the IP has a permanent work week limit of 65 hours. For IPs who worked over 40 and up to 65 hours in January 2016, their permanent work week limit was individually established based upon the number of hours paid in January. Their permanent work week limits range from 40.25 to 65 hours. These IPs may not work additional overtime in a month without approval by the Department.

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 late November 2017.

4.1 IP Overtime Hours Reported Categorized by Work Week Limits

Nearly 90% 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. This is stable from the prior quarter. 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.





It is expected that the number of overtime hours worked by this group of IPs will continue to be a high proportion of overall overtime hours. The total number of hours of overtime worked by this group of IPs has declined as the limits described in the statute have been implemented.

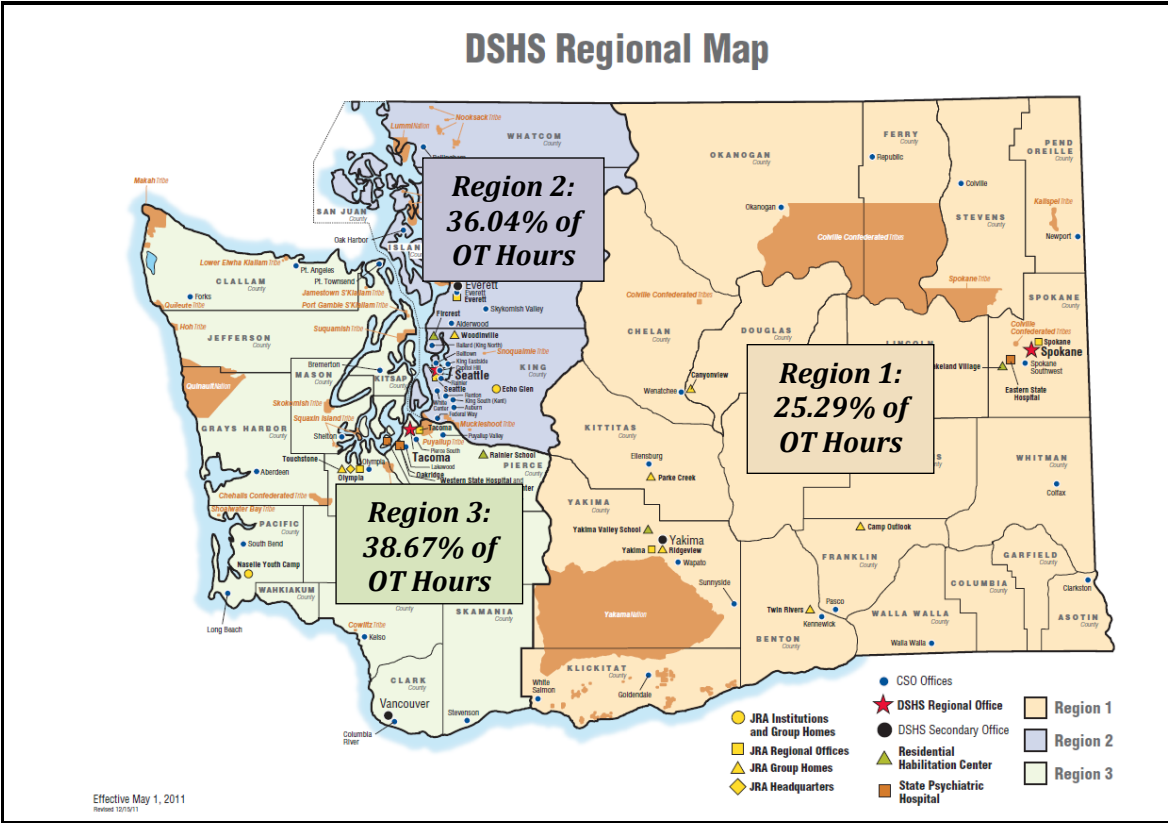
In addition, it is expected that turnover of these high-hour IPs will occur, although turnover is expected to be lower than the average IP turnover rate.

Please see [Appendix C](#) for complete data.

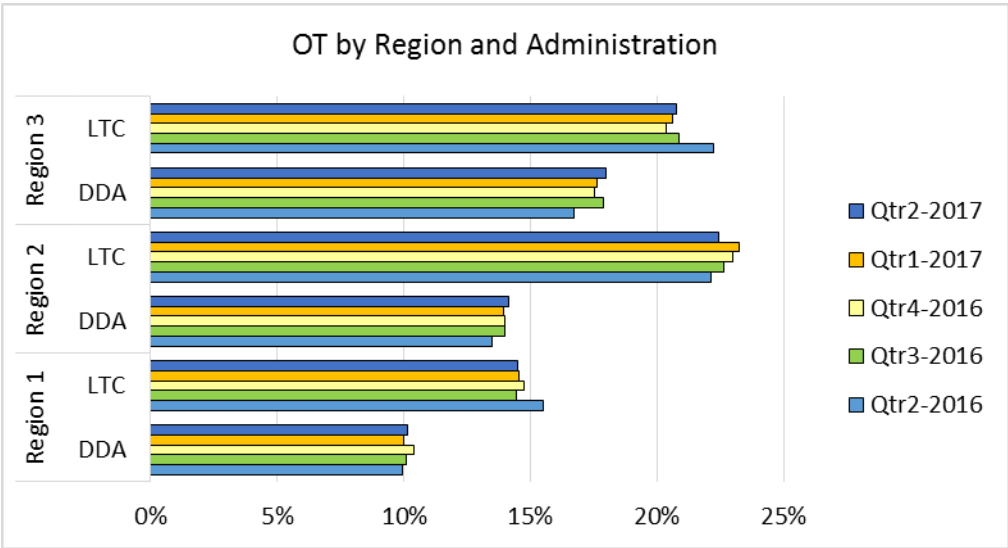
5 Regional Distribution of Overtime Hours

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

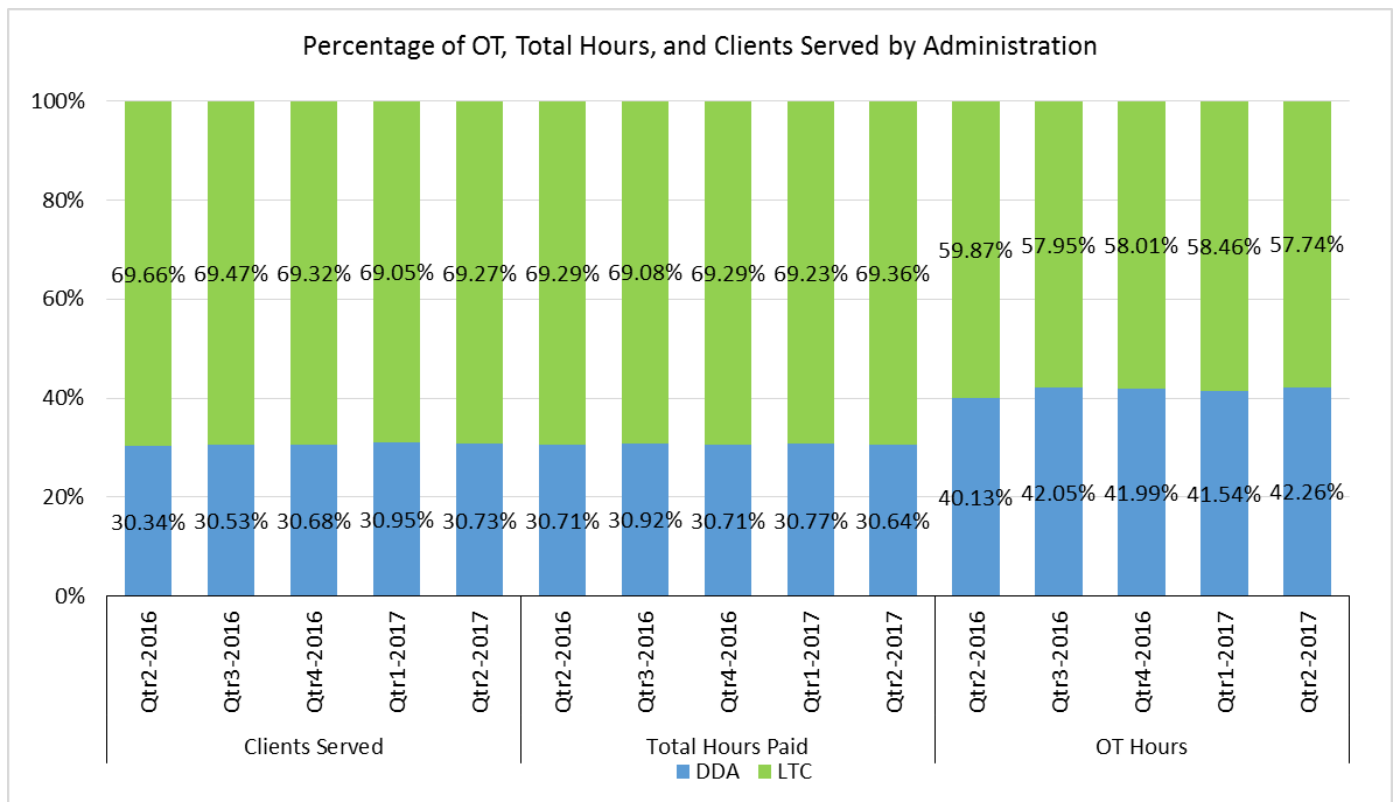
- Region 1: 25.29%
- Region 2: 36.04%
- Region 3: 38.67%



The percentage of overtime paid in each region is consistent with the percentages of authorized hours in each region. The small number of overtime hours paid cross-regions is almost exclusively between regions 2 and 3. The regional distribution of overtime hours has been consistent across the five quarterly reporting periods.



The chart below compares overall quarterly breakdown of each administration’s percentage of consumers served, total hours paid, and overtime hours. It excludes the small percent of overtime hours paid across regions. The numbers have been consistent across the five reporting cycles.



Please see [Appendix D](#) for complete data.

5.1 Percentage Overtime Paid to IPs, by County

The table below illustrates a breakdown of consumer population, total hours paid, and overtime by the consumer’s county of residence for this reporting quarter. 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 %	0.44 %
Asotin	0.29 %	0.33 %	0.51 %
Benton	3.15 %	3.38 %	3.63 %
Chelan	0.77 %	0.82 %	0.92 %
Clallam	0.86 %	0.89 %	0.85 %
Clark	9.07 %	8.90 %	9.50 %
Columbia	0.10 %	0.09 %	0.10 %
Cowlitz	1.76 %	1.82 %	1.75 %
Douglas	0.29 %	0.38 %	0.50 %
Ferry	0.17 %	0.18 %	0.12 %

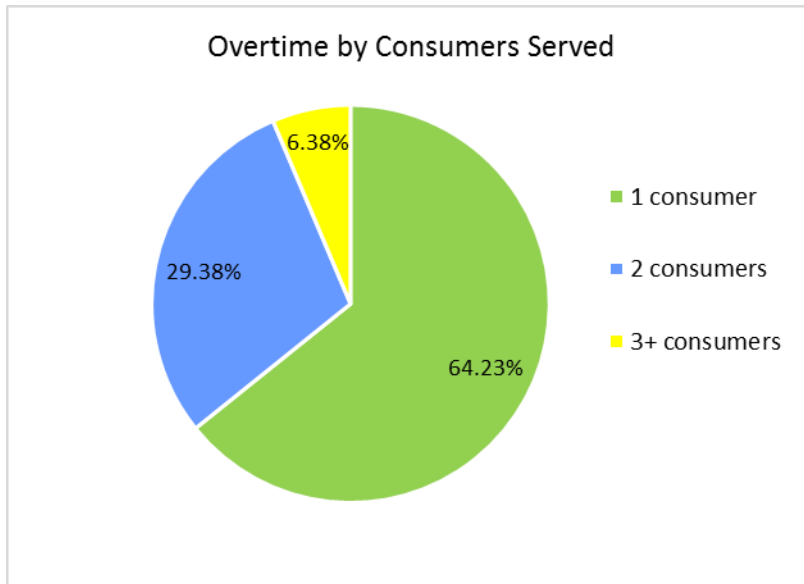
County	Percent Consumer Count	Percent Paid Hours	Percent OT Hours
Lewis	1.26 %	1.19 %	1.51 %
Lincoln	0.13 %	0.14 %	0.23 %
Mason	0.79 %	0.77 %	0.58 %
Okanogan	0.94 %	0.92 %	1.01 %
Pacific	0.52 %	0.47 %	0.44 %
Pend Oreille	0.30 %	0.29 %	0.21 %
Pierce	12.62 %	13.09 %	14.19 %
San Juan	0.05 %	0.05 %	0.00 %
Skagit	1.52 %	1.40 %	1.42 %
Skamania	0.16 %	0.14 %	0.11 %

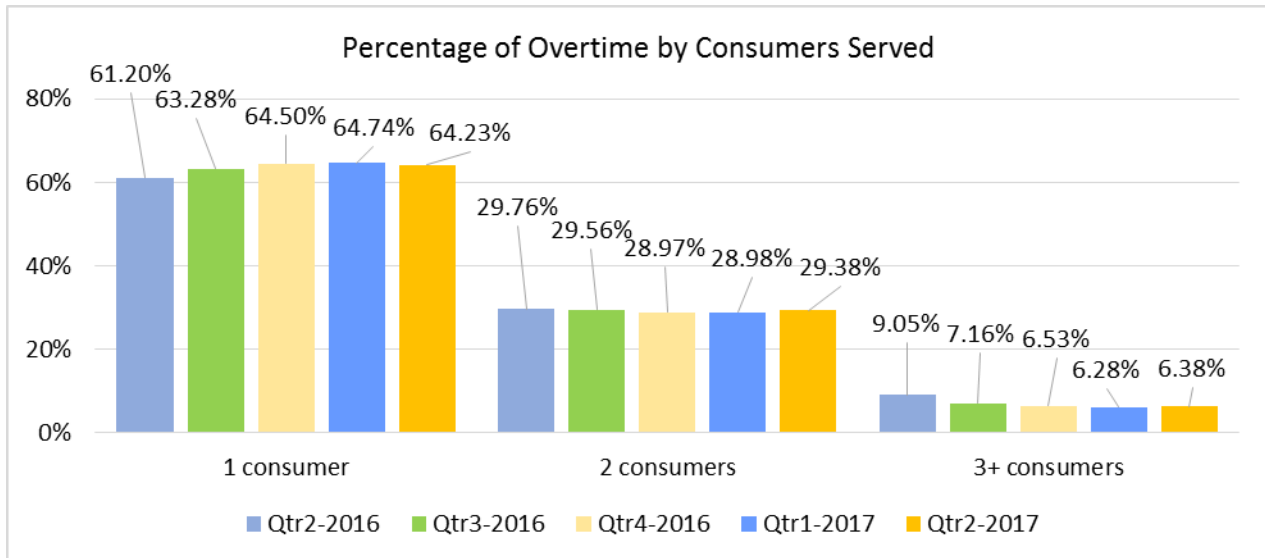
County	Percent Consumer Count	Percent Paid Hours	Percent OT Hours
Franklin	1.68 %	1.79 %	1.83 %
Garfield	0.04 %	0.04 %	0.02 %
Grant	2.04 %	1.95 %	2.26 %
Grays Harbor	1.93 %	1.84 %	1.95 %
Island	0.78 %	0.84 %	1.07 %
Jefferson	0.38 %	0.36 %	0.28 %
King	26.17 %	26.08 %	22.16 %
Kitsap	2.58 %	2.85 %	4.01 %
Kittitas	0.32 %	0.29 %	0.34 %
Klickitat	0.22 %	0.24 %	0.31 %

County	Percent Consumer Count	Percent Paid Hours	Percent OT Hours
Snohomish	9.19 %	9.15 %	9.38 %
Spokane	7.88 %	7.57 %	6.79 %
Stevens	0.76 %	0.82 %	0.96 %
Thurston	3.25 %	3.21 %	3.62 %
Wahkiakum	0.05 %	0.06 %	0.12 %
Walla Walla	1.09 %	0.99 %	0.75 %
Whatcom	2.50 %	2.18 %	2.04 %
Whitman	0.20 %	0.19 %	0.26 %
Yakima	3.83 %	3.92 %	3.81 %

5.2 Overtime Hours by Number of Consumers Associated with an IP

The data on overtime hours by the number of consumers served by the IP is fairly consistent across all months of the quarter, with the majority (64%) 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 month.





Please see [Appendix E](#) for complete data.

6 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.
- Second Contract Action: IP and consumer are notified, in writing that one more violation could lead to contract termination.
- Third Contract Action: 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.

Based on current data and trends since the Department began overtime utilization controls, 69% of individuals providers who have received a first contract action have not incurred a second contract action. To-date, 232 third actions have been issued; however no contracts have been terminated for excess claiming. The Department is continuing to work with IPs and consumers to provide resources for training and tools for scheduling, with the goal to enhance understanding of the rules and prevent contract termination whenever it is possible.

7 Conclusion

This quarterly report shows improving data regarding the percentage of overtime worked. The data is stabilizing and is expected to continue to stabilize over the next reporting cycles. This is due to:

1. Consumers, IPs and Department staff have adjusted to the change from no work week limits to having work week limits;
2. The Department has developed materials and tools to assist consumers and IPs to manage their hours within the identified work week limits (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. The Department has implemented a contract action process and will continue to analyze potential impacts;
5. The Department continues to refine policy, procedure, and overtime utilization monitoring tools to contain overtime expenditures without posing risk to consumer health and safety;
6. Workforce availability remains an issue that is being evaluated as the Department works with consumers who have a high number of hours authorized.

Appendix A: IP Overtime Hours for AL TSA and DDA, Combined

Work Week	Total OT Hours	Total IP Hours	Average OT Hours
04/02/17	58,093	981,950	5.92 %
04/09/17	54,107	958,891	5.64 %
04/16/17	55,115	961,171	5.73 %
04/23/17	50,886	927,695	5.49 %
04/30/17	55,851	967,191	5.77 %
05/07/17	52,563	959,041	5.48 %
05/14/17	45,634	912,752	5.00 %
05/21/17	42,336	887,979	4.77 %
05/28/17	37,590	844,910	4.45 %
06/04/17	51,924	937,522	5.54 %
06/11/17	45,824	892,856	5.13 %
06/18/17	44,872	839,344	5.35 %
06/25/17	22,136	698,456	3.17 %
Average	47,456	905,366	5.24 %

Please note: the data represented for June, and particularly the last two weeks of June, is not fully mature as of the date of this report. Fully mature data is expected to be slightly higher than shown.

Appendix B: Comparison of IP Overtime by Administration

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
04/02/17	22,941	3.72 %	31,473	5.10 %	3,680	0.60 %	58,093
04/09/17	21,087	3.42 %	29,569	4.79 %	3,452	0.56 %	54,107
04/16/17	21,639	3.51 %	29,970	4.86 %	3,507	0.57 %	55,115
04/23/17	20,236	3.28 %	27,511	4.46 %	3,139	0.51 %	50,886
04/30/17	21,666	3.51 %	30,545	4.95 %	3,639	0.59 %	55,851
05/07/17	20,562	3.33 %	28,701	4.65 %	3,301	0.54 %	52,563
05/14/17	18,297	2.97 %	24,485	3.97 %	2,852	0.46 %	45,634
05/21/17	17,557	2.85 %	22,234	3.60 %	2,545	0.41 %	42,336
05/28/17	14,914	2.42 %	20,669	3.35 %	2,007	0.33 %	37,590
06/04/17	20,587	3.34 %	28,245	4.58 %	3,093	0.50 %	51,924
06/11/17	18,099	2.93 %	24,944	4.04 %	2,782	0.45 %	45,824
06/18/17	18,035	2.92 %	24,166	3.92 %	2,671	0.43 %	44,872
06/25/17	9,084	1.47 %	11,786	1.91 %	1,266	0.21 %	22,136
Total	244,701	39.66 %	334,295	54.19 %	37,933	6.15 %	616,929

Please note: the data represented for June, and particularly the last two weeks of June, is not fully mature as of the date of this report. Fully mature data is expected to be slightly higher than shown.

Appendix C: IP Overtime by Work Week Limits

Work Week	Percent OT with 40 Hr WWL	Percent OT with 40.25 – 65 Hr WWL
04/02/17	1.33 %	8.08 %
04/09/17	0.98 %	7.79 %
04/16/17	0.98 %	7.96 %
04/23/17	0.81 %	7.43 %
04/30/17	1.36 %	7.69 %
05/07/17	1.02 %	7.50 %
05/14/17	0.76 %	6.64 %
05/21/17	0.52 %	6.34 %
05/28/17	0.59 %	5.51 %
06/04/17	1.03 %	7.39 %
06/11/17	0.78 %	6.65 %
06/18/17	0.69 %	6.58 %
06/25/17	0.26 %	3.33 %
Total	11.11 %	88.89 %

Please note: the data represented for June, and particularly the last two weeks of June, is not fully mature as of the date of this report. Fully mature data is expected to be slightly higher than shown.

Appendix D: IP Overtime Hours by DSHS Region

(Excludes small number of hours reported by providers who work with consumers in multiple regions)

Work Week	Region 1 Hours	Percentage Region 1	Region 2 Hours	Percentage Region 2	Region 3 Hours	Percentage Region 3
04/02/17	14,698	6.07 %	20,914	5.38 %	22,185	6.38 %
04/09/17	13,696	5.81 %	19,598	5.16 %	20,591	6.06 %
04/16/17	14,002	5.90 %	19,885	5.24 %	21,013	6.16 %
04/23/17	12,747	5.56 %	18,526	5.06 %	19,410	5.90 %
04/30/17	14,038	5.90 %	20,020	5.26 %	21,416	6.22 %
05/07/17	13,084	5.56 %	18,988	5.02 %	20,200	5.92 %
05/14/17	11,521	5.13 %	16,444	4.55 %	17,448	5.40 %
05/21/17	10,480	4.80 %	15,060	4.30 %	16,569	5.25 %
05/28/17	9,245	4.44 %	13,441	4.03 %	14,749	4.91 %
06/04/17	12,946	5.59 %	18,770	5.10 %	19,918	5.96 %
06/11/17	11,716	5.29 %	16,070	4.61 %	17,841	5.59 %
06/18/17	11,613	5.54 %	15,672	4.81 %	17,387	5.78 %
06/25/17	5,469	3.13 %	7,899	2.91 %	8,712	3.47 %
Averages	11,943	5.29 %	17,022	4.73 %	18,264	5.62 %

Please note: the data represented for June, and particularly the last two weeks of June, is not fully mature as of the date of this report. Fully mature data is expected to be slightly higher than shown.

Appendix E: Overtime Hours by Number of Consumers Associated with an IP

Work Week	OT Hours IPs Serving 1 Consumer	OT Hours IPs Serving 2 Consumers	OT Hours IPs Serving 3+ Consumers
04/02/17	36,676	17,717	3,700
04/09/17	34,298	16,317	3,492
04/16/17	34,690	16,502	3,924
04/23/17	32,297	15,345	3,244
04/30/17	35,613	16,634	3,605
05/07/17	33,811	15,453	3,299
05/14/17	29,657	12,995	2,982
05/21/17	27,839	11,703	2,794
05/28/17	25,030	10,506	2,054
06/04/17	33,720	15,044	3,160
06/11/17	29,400	13,553	2,872
06/18/17	28,798	13,120	2,954
06/25/17	14,441	6,398	1,296
Averages	30,482	13,945	3,029

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