

REPORT TO THE LEGISLATURE

Individual Provider Overtime Quarterly Expenditures

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

March 1, 2018

Aging and Long-Term Support Administration

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1 Executive Summary

This is the fourth 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 October 1 – December 31, 2017. The key findings include:

- The number of overtime hours claimed by IPs for this period is 4.69%, down from 4.93% 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 4 – CY2017 expenditure report for the time period October 1 through December 31, 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

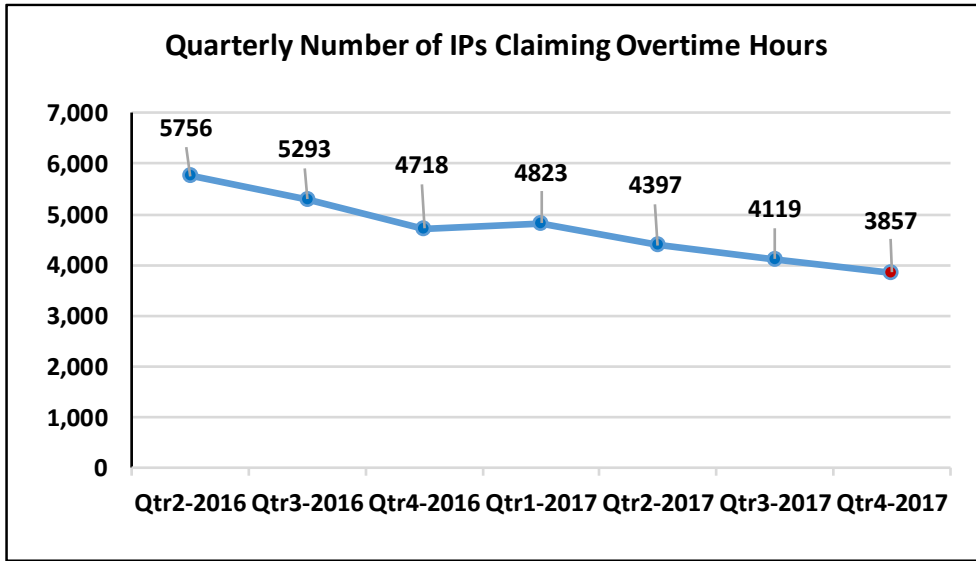
See overtime data and findings section, below, for additional information.

Please Note: The data provided in this report, particularly the last two weeks of December, 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 4 – CY2017, an average of 3,857 IPs claimed overtime hours each week.

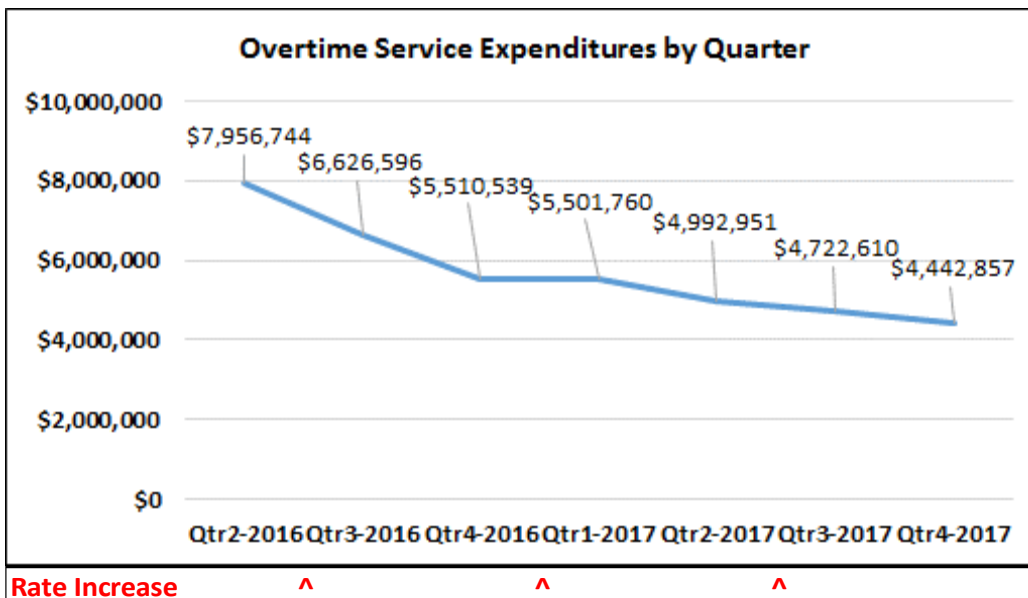


II. Number of hours paid and amount paid for more than 40 hours in a work week

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

A. Total Amounts

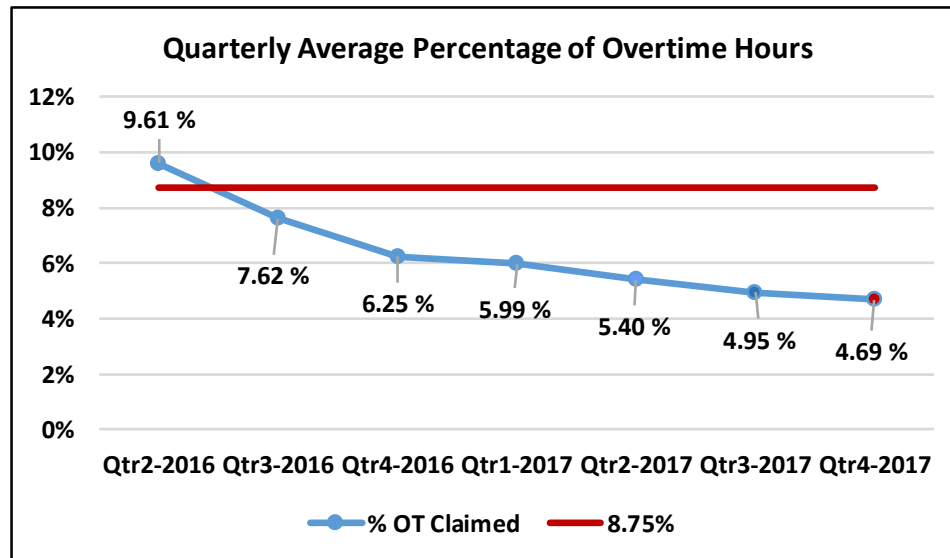
To date, the Department has expended approximately \$40M in overtime service payments to IPs. Overtime service expenditures do not include employment taxes, which are an additional 6.74 percent. The expenditures continue to drop each quarter as the Department has put into place controls, and as staff, consumers, and providers have adjusted to the new rules. The most recent quarter’s expenditures are 44% lower than expenditures that occurred for the first quarter following implementation of the rule, and 6% lower than the prior reporting period.



B. Averages

This chart, below, illustrates the percentage of overtime hours claimed and continues to be below the 8.75% limit for QTR 4 – CY2017.

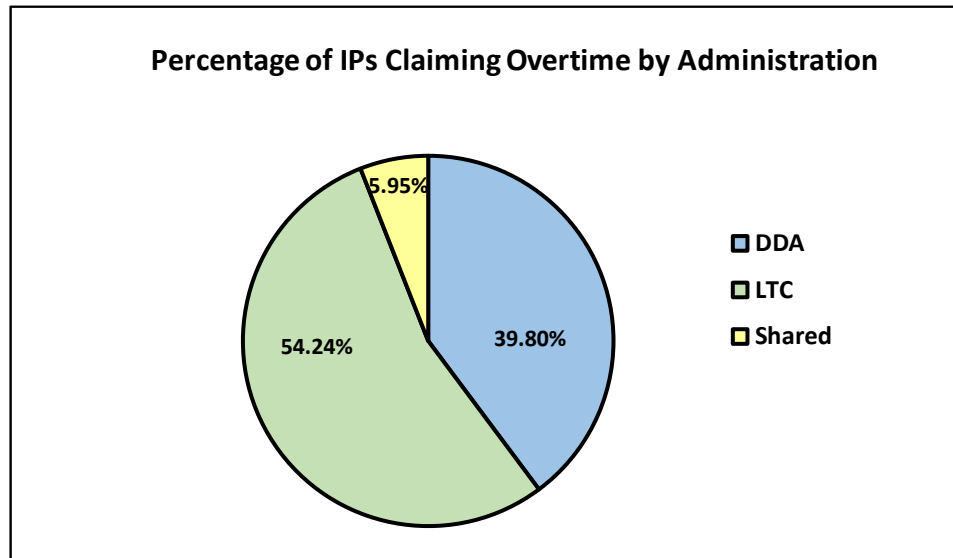
Work Week	Total OT Hours	Total IP Hours	Average OT Hours
10/01/17	53,595	1,006,543	5.32 %
10/08/17	48,540	982,700	4.94 %
10/15/17	42,902	936,106	4.58 %
10/22/17	39,065	904,854	4.32 %
10/29/17	39,358	907,566	4.34 %
11/05/17	49,956	988,838	5.05 %
11/12/17	45,965	959,290	4.79 %
11/19/17	44,611	939,210	4.75 %
11/26/17	41,684	918,402	4.54 %
12/03/17	48,252	961,221	5.02 %
12/10/17	42,849	924,237	4.64 %
12/17/17	39,446	862,798	4.57 %
12/24/17	33,249	794,127	4.19 %
Totals	569,468	12,085,892	4.69 %



C. Distribution of the Amounts

The overtime hours worked by the 3,857 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 4 – CY2017.

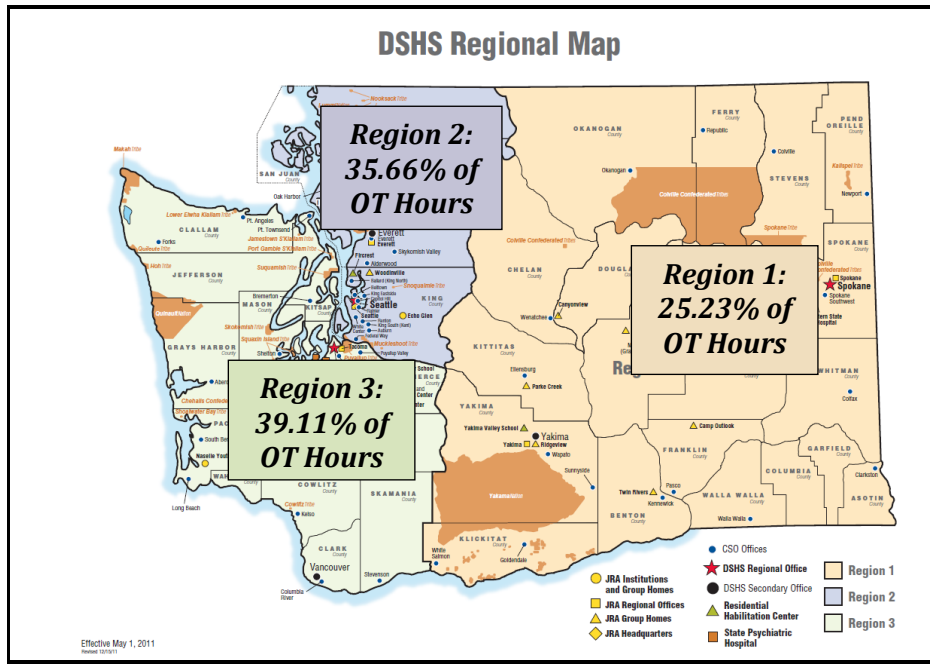
Work Week	IP OT Hours Worked for DDA	Percentage OT hours worked by DDA IPs	IP OT Hours Worked for ALTSA	Percentage OT Hours by ALTSA IPs	IP OT Hours worked for DDA & ALTSA Consumers	Percentage OT worked by DDA & ALTSA IPs	Total IP OT Hours
10/01/17	20,364	3.58 %	30,077	5.28 %	3,154	0.55 %	53,595
10/08/17	19,038	3.34 %	26,521	4.66 %	2,981	0.52 %	48,540
10/15/17	17,371	3.05 %	22,835	4.01 %	2,696	0.47 %	42,902
10/22/17	16,259	2.86 %	20,417	3.59 %	2,389	0.42 %	39,065
10/29/17	15,906	2.79 %	21,112	3.71 %	2,340	0.41 %	39,358
11/05/17	19,616	3.44 %	27,261	4.79 %	3,080	0.54 %	49,956
11/12/17	18,090	3.18 %	25,018	4.39 %	2,857	0.50 %	45,965
11/19/17	18,150	3.19 %	23,927	4.20 %	2,534	0.44 %	44,611
11/26/17	16,702	2.93 %	22,673	3.98 %	2,309	0.41 %	41,684
12/03/17	18,994	3.34 %	26,322	4.62 %	2,936	0.52 %	48,252
12/10/17	16,981	2.98 %	23,314	4.09 %	2,554	0.45 %	42,849
12/17/17	15,521	2.73 %	21,569	3.79 %	2,356	0.41 %	39,446
12/24/17	13,679	2.40 %	17,857	3.14 %	1,714	0.30 %	33,249
Total	226,668	39.80 %	308,903	54.24 %	33,898	5.95 %	569,469



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 4 – 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	0.34 %	0.35 %	0.40 %
Asotin	0.28 %	0.32 %	0.50 %
Benton	3.23 %	3.49 %	3.70 %
Chelan	0.74 %	0.76 %	0.76 %
Clallam	0.84 %	0.87 %	0.88 %
Clark	9.20 %	8.98 %	9.69 %
Columbia	0.09 %	0.08 %	0.06 %
Cowlitz	1.72 %	1.80 %	1.87 %
Douglas	0.28 %	0.35 %	0.48 %
Ferry	0.17 %	0.19 %	0.19 %
Franklin	1.69 %	1.80 %	1.78 %
Garfield	0.03 %	0.03 %	0.03 %
Grant	1.99 %	1.90 %	2.13 %
Grays Harbor	1.94 %	1.81 %	2.07 %

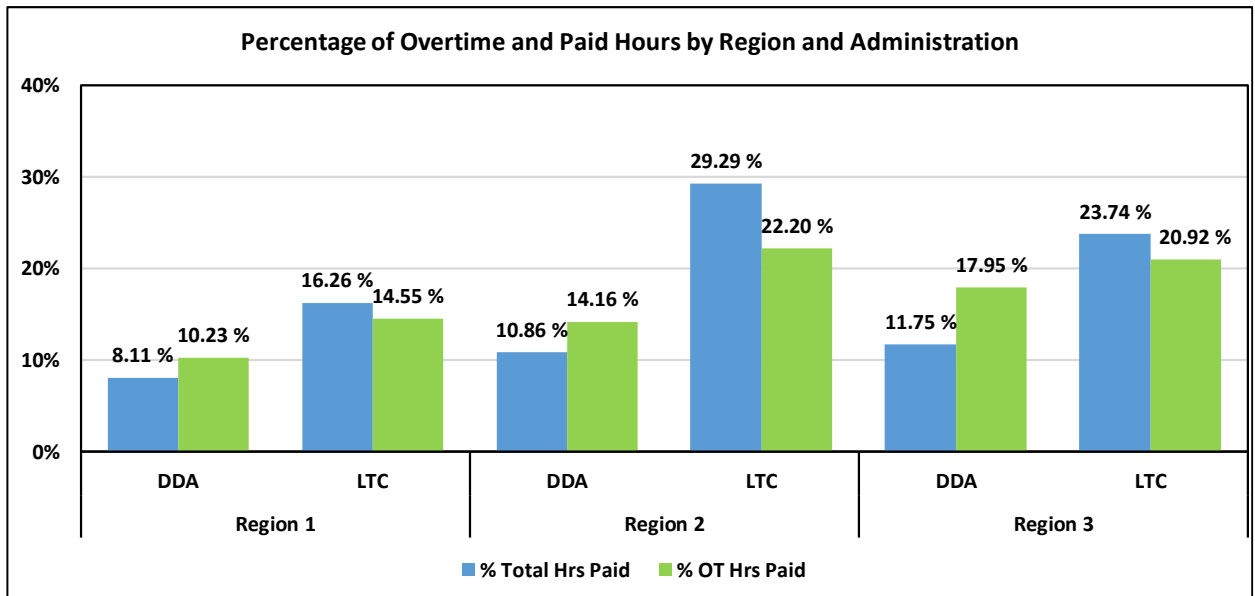
County	Percent Consumer Count	Percent Paid Hours	Percent OT Hours
Lewis	1.22 %	1.16 %	1.55 %
Lincoln	0.14 %	0.15 %	0.22 %
Mason	0.71 %	0.72 %	0.43 %
Okanogan	0.87 %	0.87 %	1.00 %
Pacific	0.51 %	0.47 %	0.43 %
Pend Oreille	0.28 %	0.27 %	0.22 %
Pierce	12.75 %	13.17 %	14.48 %
San Juan	0.05 %	0.06 %	0.08 %
Skagit	1.50 %	1.39 %	1.50 %
Skamania	0.16 %	0.13 %	0.11 %
Snohomish	9.24 %	9.12 %	9.11 %
Spokane	7.92 %	7.63 %	7.13 %
Stevens	0.74 %	0.80 %	0.89 %
Thurston	3.23 %	3.20 %	3.67 %

County	Percent Consumer Count	Percent Paid Hours	Percent OT Hours
Island	0.75 %	0.82 %	1.08 %
Jefferson	0.42 %	0.38 %	0.31 %
King	26.21 %	26.25 %	21.97 %
Kitsap	2.60 %	2.86 %	3.90 %
Kittitas	0.30 %	0.26 %	0.32 %
Klickitat	0.21 %	0.23 %	0.26 %

County	Percent Consumer Count	Percent Paid Hours	Percent OT Hours
Wahkiakum	0.05 %	0.06 %	0.13 %
Walla Walla	1.02 %	0.94 %	0.67 %
Whatcom	2.57 %	2.22 %	1.95 %
Whitman	0.21 %	0.21 %	0.28 %
Yakima	3.78 %	3.91 %	3.76 %

C. Department Program

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



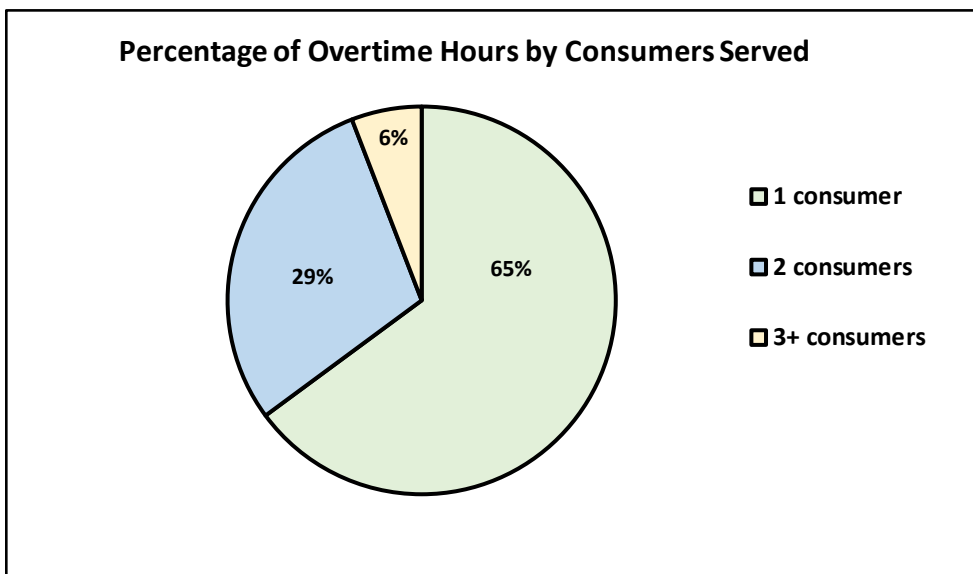
D. By Consumer Served

The data on overtime hours by the number of consumers served by the IP, for QTR 4 – CY2017.

Work Week	OT Hours IPs Serving 1 Consumer	OT Hours IPs Serving 2 Consumers	OT Hours IPs Serving 3+ Consumers
10/01/17	34,560	15,871	3,165
10/08/17	31,242	14,413	2,884
10/15/17	27,827	12,542	2,533
10/22/17	25,727	10,945	2,393
10/29/17	25,607	11,617	2,134
11/05/17	32,256	14,865	2,836
11/12/17	29,608	13,693	2,664

Work Week	OT Hours IPs Serving 1 Consumer	OT Hours IPs Serving 2 Consumers	OT Hours IPs Serving 3+ Consumers
11/19/17	29,292	12,768	2,551
11/26/17	27,207	12,166	2,310
12/03/17	30,987	14,473	2,791
12/10/17	27,891	12,490	2,468
12/17/17	25,300	11,451	2,695
12/24/17	21,941	9,417	1,891
Averages	28,419	12,824	2,563

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

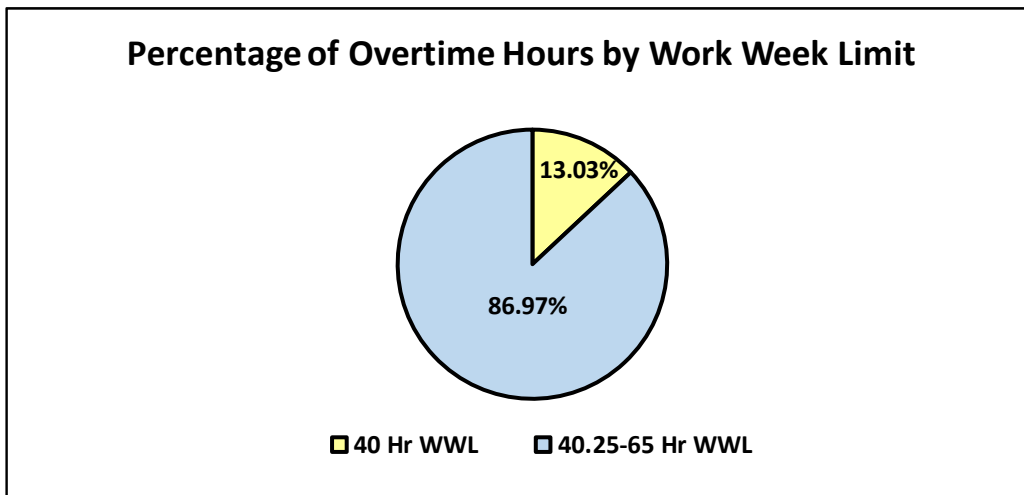
In accordance with RCW 74.39A.270(5)(b)(i), the Department established and assigned permanent work week limits to all IPs based upon average hours worked in January 2016. A work week limit is the maximum total number of service hours an IP can provide in a work week. Service hours are paid to an IP to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

In the original Legislative order, IPs with permanent 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. The approach for reducing the work week limit in FY19 was discussed at the Task Force meeting held December 8, 2017.

A. IP Overtime Hours Reported Categorized by Work Week Limit

Nearly 87% 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
10/01/17	1.67 %	7.74 %
10/08/17	1.09 %	7.43 %
10/15/17	0.95 %	6.58 %
10/22/17	0.61 %	6.25 %
10/29/17	0.87 %	6.05 %
11/05/17	1.31 %	7.46 %
11/12/17	1.11 %	6.97 %
11/19/17	0.87 %	6.97 %
11/26/17	0.93 %	6.39 %
12/03/17	1.33 %	7.14 %
12/10/17	0.98 %	6.54 %
12/17/17	0.84 %	6.09 %
12/24/17	0.46 %	5.38 %
Total	13.03 %	86.97 %



3. Next Steps

The Department has been managing overtime utilization 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 has also processed contract actions for IPs 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 15,638.
- Second Contract Action: IP and consumer are notified, in writing that one more violation could lead to contract termination. To date there have been 6,053.
- 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 1,144 Third Contract Actions/Additional Warnings.
- Third Contract Action/Consideration for Termination: To date there have been 25 IPs who have had contracts terminated for excess claiming of overtime. All IPs who receive a termination notice 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.