



## House Bill 96 ID/DD HCBS Amendment

The executive budget “continues” the rate increases for ID/DD home and community-based services (HCBS) waiver providers that the General Assembly enacted in 2023 via HB 33. Those historic increases took effect beginning January 1, 2024. The increases, which applied in two steps, were based on average wages for direct support professionals (DSPs) that reached \$19 per hour by July 1, 2024. The rate increases applied broadly to residential, adult day, and other waiver services.

By using the word “continue” regarding the executive budget, the administration means they are **not proposing any increases in waiver rates**. Director Corcoran made that meaning clear when she testified to the House Finance Committee. To the administration, “**continue**” means “**keep flat,**” not “continue to increase.”

Despite the administration’s reticence to increase HCBS waiver rates, there is a **need to continue the result of the 2024 increases**: raising DSPs’ wages to attract workers and support Ohioans with disabilities. If providers are unable to raise wages until at least January 2028, as would be the case under the executive budget, **we risk eroding the gains** – in workforce and people served – achieved in the last budget. Workers need regular increases to motivate them to stay. The system needs stability and predictability, not feast or famine.

Fortunately, if we address rates on an ongoing basis, the increases can be small and incremental. There will be **no need for a massive investment at one time**. Our amendment would take concrete steps to sustain the results of the last budget:

- The amendment would give DODD statutory authority to adopt rules **establishing a methodology for updating rates annually** to reflect cost increases across waiver providers. DODD would create a process for gathering provider cost data and analyzing it to determine how much costs rose on average, then apply that percentage to existing provider rates and underlying wage rates. Under the amendment, the update methodology would take effect January 1, 2028. It would end the need for large, sporadic increases.
- Because it will take time to implement the proposed new system for updating rates, the amendment also states legislative intent for DODD to implement **modest interim increases**: 3.4% beginning January 1, 2026, and 2.3% beginning January 1, 2027. These increases would equate to raising DSP wages by \$0.65 and \$0.45.

The amendment is designed to **avoid strict legislative mandates**, which have been vetoed in the past, instead putting the update methodology into DODD’s hands and phrasing the interim increases as statements of legislative intent, not directives.

We estimate that the amendment would add to DODD’s appropriations \$65.7 million all funds in FY 2026 (\$23 million state share) and \$111.3 million all funds in FY 2027 (\$38.9 million state).