



Summary: APD-ODDS Rate and Wage Study – Findings and Recommendations

Introduction

This is a summary of the rate and wage study Findings and Recommendations report prepared for the Oregon Legislature by Burns & Associates, an independent consultant.

This summary will be translated into Arabic, Russian, Somali, simplified Chinese, Spanish and Vietnamese. Translations will be provided on the [study web page](#) as they are available.

Background

Tens of thousands of Oregonians with disabilities and older Oregonians depend on direct-care workers for help with daily tasks, managing their health, accessing the community and staying independent. People may receive care in their own homes, foster homes, assisted living facilities, group homes, adult day programs and other community settings.

State and federal Medicaid funds pay for these services. The decision to change how much providers are paid is up to the Oregon Legislature.

In 2023, the Oregon Legislature directed the Oregon Department of Human Services (ODHS) to conduct a study of payment rates for service providers. The study focuses on services provided through the ODHS Office of Aging and People with Disabilities (APD) and the ODHS Office of Developmental Disabilities Services (ODDS). The purpose of the study was to find ways to ensure the state can meet the growing demand for services.

The types of provider rates evaluated were:

- Hourly rates for individuals who provide services in people’s homes such as APD Homecare Workers and ODDS Personal Support Workers;
- Hourly rates for agencies that provide services in people’s homes
- Assisted living facilities and residential care facilities;
- Group homes;
- APD-licensed adult foster homes and ODDS-certified foster homes;
- Adult day programs; and
- Employment services.

ODHS hired the Burns & Associates division of Health Management Associates to do the study. ODHS submitted the Burns & Associates report to the Joint Ways and Means Committee, which helps decide the state’s budget every two years.

Approach

To perform the study, Burns & Associates:

- Reviewed existing documents, policies and past reports about Oregon’s direct care workforce.
- Met multiples times with a project advisory group and service workgroups to hear feedback from companies that hire staff to provide services, union representatives, and other community partners.
- Conducted a survey to collect data about providers’ current costs.
- Collected wage and benefit data to determine fair payments for direct care workers.
- Created detailed rate models for each service to show how the recommended rates were calculated.
- Published draft recommendations and made them available for public comment in October.

Findings and recommendations

Key findings from the wage and rate study:

- The qualifications and duties of direct care workers are similar for ODDS and APD services, though the type of help they provide may differ depending on the needs of the person they are assisting.

- APD payment rate models were established decades ago and there is no documentation for how rates were calculated.
- Wages and benefits are inconsistent across systems and service delivery models.

Based on these findings, the study recommends:

- Establishing transparent rate models to reflect current costs of delivering services.
- Standardizing total compensation for direct care workers across systems, services and service delivery models by:
 - Raising the average wage for direct care workers employed by agencies to \$23.20 per hour, which would equal about \$48,000 annually, and including funding for comprehensive benefits.
 - Increasing base wages for self-employed direct care workers by \$4.50 per hour to match these new payment models.
- Creating a new requirement for agencies to report direct-care worker wages and benefits, staffing levels, and other data. This data would show how agencies use their payments and inform future rate changes.

Making these changes would cost an additional estimated \$1.3 billion annually, including more than \$400 million in state funds – an increase of more than 30 percent. This funding would go toward increasing payments to providers (agencies and self-employed direct care workers).

The full report and materials related to the study are posted on the [study web page on the Burns & Associates website](#). Questions can be emailed to oregonrates@healthmanagement.com.

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