



More Than Essential

Reimbursement Rates and the True Value of Human Services

Illinois Partners for Human Service conducted an updated study comparing reimbursement rates to the consumer price index (CPI) across key human services to form a comprehensive picture of how state-funded human service reimbursement rates are measuring up in Illinois.

According to data referenced in this report:

- 6 of 7 service areas analyzed fail to reach full parity with the Consumer Price Index (CPI) for cost-of-living increases.
- 57% of Substance Use Disorder rates need increases of nearly 25% to reach parity with CPI.
- 60% of Comprehensive Care Coordination for Older Adults rates require increases of nearly 50% to keep pace with CPI.
- 98% of Early Intervention service rates need an increase of 22% or more to be in line with CPI.
- 70% of Foster Care and Residential Child Welfare services require increases for CPI parity.
- 48% is the employee turnover rate reported for Developmental Disability services according to a recent provider survey.
- 90% of Mental Health reimbursement rates currently fail to cover cost-of-living increases.

HUMAN SERVICES REIMBURSEMENT RATES SNAPSHOT

Lagging reimbursement rates contribute to persistent challenges for community providers such as:



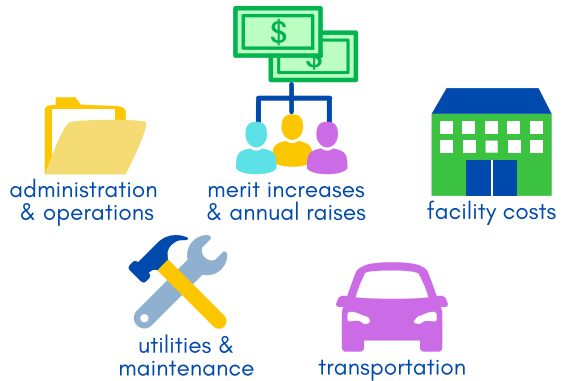
High employee turnover



Decreased capacity to meet demand for services



Difficulty covering operating costs



EQUITY MATTERS

in Reimbursement Rates

The human services workforce is largely comprised of women and people of color. Lagging reimbursement rates contribute to the inability of many community providers to offer competitive salaries, therefore perpetuating an ever-expanding gender and racial wealth gap in our state - and for our sector - that must be acknowledged and rectified.

We cannot successfully address disproportionate health outcomes without acknowledging the root causes that lead to them - vast under-investment in our Black, Brown, and immigrant communities. We must have clear and consistent metrics to define what equitable distribution of state resources looks like and measurements in place to gauge progress.

- Lauren Wright, Executive Director, Illinois Partners for Human Service

Next Steps...

- A clearly defined rate methodology must be instituted to establish systematic increases based on market costs and other relevant economic indicators.
- Reimbursement rates must be increased annually to accommodate current and pending minimum wage requirements (through January 1, 2025).
- Conduct periodic studies to identify the true costs of providing services; incorporate this information and cost of living adjustments into the reimbursement formulas for all areas of human service.