



# More Than Essential

## Reimbursement Rates and the True Value of Human Services

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# Letter from our Executive Director

Dear Reader,

The last year has brought me an entirely new understanding of the word “essential.” It is now inextricably linked to thousands of health and human service workers and the partners in our coalition who have kept our communities afloat since the onset of COVID-19. Human services build the bridge that promotes trust in our health systems, access to basic resources, and pathways to positive health outcomes. While the human service workforce has been deemed “essential,” the state continues to underpay and undervalue these services. Reimbursement rates are one area in which this chronic underfunding is most apparent.

The following report is an analysis of human service reimbursement rates over the past two decades. It uses the Consumer Price Index (CPI), to perform a cross-sector comparison of how rates have kept up with cost-of-living increases. Though this measure is helpful to understand the gaps in state funding, it says nothing about the true value of these essential services, the economic contributions of the sector’s workers, and the impact they have on the lives that are sustained. ***Keeping up with the cost of living should be the absolute lowest bar we aim to reach – and yet we fail to reach it in nearly every area of human service provision.***

Illinois Partners draws three broad conclusions for legislators to consider in their policy-making:

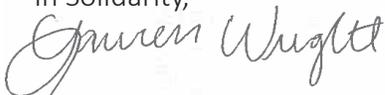
**1) Clarity:** Many human service fields lack an established rate setting methodology, leaving rates to be determined arbitrarily. A clearly defined method of setting rates would improve funding models by allowing for systematic increases based on market costs and other relevant economic indicators.

**2) Transparency:** We found several instances of publicly available rate reimbursement data not aligning with rates in contracts of providers. FOIA requests were submitted to identify the true reimbursement rates for some services. This process undermines faith in the system and is neither effective or efficient. Transparency is vital to building trust.

**3) Equity:** COVID-19 has further revealed systemic inequities and prompted unequal health and economic outcomes - this reality is especially true for frontline essential workers. With the majority of social workers and direct support professionals being women and people of color, we face an ever-expanding gender and racial wealth gap in our state - and for our sector - that must be acknowledged and rectified. Similarly, 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.

This report is intended to be a catalyst for action. We present it to you with gratitude to our coalition partners who shared their time and expertise to verify its accuracy and with appreciation for everyone who joins us in our mission. Together we will achieve a human services sector that is strong, equitable, and sufficiently funded so that all Illinoisans are able to thrive.

In Solidarity,



Lauren Wright, Executive Director, Illinois Partners for Human Service



# Acknowledgements

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# Executive Summary

The Illinois human services sector is comprised of community organizations dedicated to providing the elements essential to build and maintain physical, emotional, and economic well-being at every phase of life. Most community providers receive funding through reimbursement rates set by the state that are intended to cover the costs of rendering services. Our analysis shows that current rates often fail to keep up with the cost of living and fail to cover actual costs, including staff wages and benefits, as well as expenses related to facility upkeep and transportation. Insufficient reimbursement rates place a tremendous strain on providers since they must make up the difference between what state funding covers and what the service actually costs. The report provides a comprehensive review of reimbursement rates and answers three key questions:

- ***How have rates changed in the past two decades?***
- ***How do current rates compare to the cost of living?***
- ***How do rates impact community human service providers?***

The report investigates reimbursement rates in the following human services fields that promote the well-being of all Illinoisans: Substance Use Prevention and Treatment, Senior Services, Child Care, Early Intervention, Foster Care and Residential Child Welfare, Developmental Disabilities Services, and Community Mental Health Services.

Using the Consumer Price Index (CPI; CPI-U, Midwest Region)<sup>1</sup> as the cost-of-living measure, the analysis compares changes in rates over the years to this singular factor of changes in the cost of living within a given time period and evaluates reimbursement rates going back as far as FY2000.

## Key Findings:

- **Reimbursement rates only cover direct services and fail to account for actual costs of services.**
- **Inadequate reimbursement rates inhibit capacity for expansions to meet increasing needs.**
- Organizations have trouble recruiting and retaining staff due to low wages and the rising cost of healthcare benefits.
- Workers are often tasked with carrying large caseloads leading to burnout and staff turnover.
- Inadequate rates inhibit annual raises and merit-based salary increases.
- The voluntary turnover rate is nearly 40% sector-wide<sup>2</sup> and as high as 54.5% for Direct Support Professionals in Illinois,<sup>3</sup> meaning valuable resources are spent to continually hire and train new staff.
- Staff vacancies limit people served, add to long waiting lists, and decrease service choices.
- Illinois does not have a standardized methodology to address increases in cost of living and actual costs of doing business across the human services sector.
- **In contrast to reimbursement rates, the cost of living increased every year. To reflect cost of living changes since 2000, human services rates should have increased by over 45%.**

This report is the second edition of Illinois Partners for Human Service’s analysis of state reimbursement rates. The first report, *Failing to Keep Pace: An Analysis of the Declining Value of Illinois Human Services Reimbursement Rates*,<sup>4</sup> was published in 2016. This update finds that while some rates were raised in recent years, the majority still fail to keep pace with increased cost-of-living expenses. According to providers, while some rates reached parity compared to CPI, they still fall short of addressing the actual cost of providing services. Part of the solution is a thoughtful examination of rate-setting methodology to ensure that funding models are adjusted to cover increases in CPI as well as the true cost of service delivery.

## Highlights

- **Substance Use Disorder Treatment:** Most rates must increase by 23% or more to adjust for cost-of-living increases since 2000.
- **Senior Services:** Most reimbursement rates must increase by over 40% to accommodate cost-of-living adjustments.
- **Early Intervention:** Rates must increase between 20% and 30% to adjust for CPI.
- **Child Care:** Rates have kept pace with cost-of-living increases, but current rates do not meet the levels suggested by the federal government to ensure equal access to care.
- **Foster Care and Residential Child Welfare:** Rates must increase by up to 21% to adjust for cost of living.
- **Developmental Disabilities:** Reimbursement rates lag behind by up to 23%.
- **Mental Health:** Most reimbursement rates need increases between 10% and 40% to adjust for cost of living.



1 U.S. Department of Labor, Bureau of Labor Statistics. *Consumer Price Index: All items in Midwest urban, all urban consumers, not seasonally adjusted, Year-to-Year Average*.

CPI data retrieved from: [https://data.bls.gov/timeseries/CUURO2005A0?amp%253bdata\\_tool=XGtable&output\\_view=data&include\\_graphs=true](https://data.bls.gov/timeseries/CUURO2005A0?amp%253bdata_tool=XGtable&output_view=data&include_graphs=true)

2 Illinois Partners for Human Service. (2019). *The Relationship Between Low Wages, Employee Turnover and Community Well-Being*.

<https://illinoispartners.org/wp-content/uploads/2020/11/The-Relationship-Between-Low-Wages-Employee-Turnover-and-Community-Well-BeingFullReport.pdf>

3 National Core Indicators. (2019). *Staff Stability Survey*. <https://www.nationalcoreindicators.org/staff-stability-survey/>

4 Illinois Partners for Human Service. (2016) *Failing to Keep Pace: An Analysis of the Declining Value of Illinois Human Services Reimbursement Rates*.

<https://illinoispartners.org/wp-content/uploads/2020/11/ILPHS-Failing-to-keep-peace-full-report.pdf>

# Introduction

## *Updates from 2016 Report*

Human services play an integral role in helping communities reach their full potential. From child care to mental health services, the sector provides valuable services at every stage of a person's life, while driving jobs and economic benefits in Illinois. This updated report revisits the reimbursement rates that are so critical to the success of community providers' ability to deliver quality services to Illinois residents. The report's findings highlight the progress that has been made and concludes that policymakers must do more to increase reimbursement rates for the sake of all Illinoisans while also helping to dismantle the systemic inequities that disproportionately impact communities of color.

## Progress

Governor Pritzker and Illinois legislators acknowledge the importance of human services in achieving well-being for all Illinoisans and are beginning to codify state funding practices accordingly. Human services funding as a portion of the state's General Revenue Fund (GRF) declined to a low of 15.9% in FY2019 from 26.2% in FY1997. Since Governor Pritzker took office in January 2019, gains of more than 0.5% have been made each year, and the human services portion of the GRF is anticipated to be 17.6% in FY2022.<sup>5</sup> In addition, some reimbursement rates are now in line with the cost of living.

## Persistent Challenges

Unfortunately, many rates still fail to keep pace with the cost of living, prompting and perpetuating challenges that persist for service providers that rely heavily on state funding. These challenges include:

- Persistent underfunding of human services prolong our state's inability to dismantle a history of inequity, disenfranchisement, and social injustice.
- Inconsistent rate setting methodologies across service areas inhibit the capacity of many types of human services to work collaboratively.
- High turnover, including employees leaving for similar jobs with state agencies offering higher compensation, destabilizes service provision.
- Inadequate funding limits the ability of providers to address the demand for services, especially with the immediate and ongoing ramifications from the COVID-19 pandemic.
- Failure of rates to accommodate the actual cost of providing services prompts the elimination of programs and/or the creation or expansion of waiting lists.
- High caseloads contribute to staff burnout, further exacerbating turnover rates.
- Needs have grown and changed while funding models haven't been created or updated to reflect actual cost of providing services.

***Additionally, Illinois is in the midst of a six-year process to change the minimum wage from \$8.25 (minimum wage from 2010 through 2018) to \$15 per hour in 2025, an hourly rate increase of 82% throughout a majority of the state.<sup>6</sup> Minimum wage increases alone are estimated to cost the human services sector an additional \$1.3 billion through 2025.<sup>7</sup>***

## Equity

The human services workforce primarily consists of women and Black, Indigenous, and People of Color (BIPOC), who are disproportionately affected by low wages. According to national statistics, 81% of social workers are female, 27% are BIPOC; 69% of counselors are female, 24.7% are BIPOC; 87% of nursing, psychiatric, and home health aides are female, 39% are BIPOC.<sup>8</sup>

The well-being of our communities is directly impacted by the well-being of the human services workforce, yet more than 40% of all Direct Support Professionals (DSP) earn less than a living wage and have inadequate or no health insurance.<sup>9</sup> DSPs, who are almost exclusively women (87%) and often BIPOC (59%),<sup>10</sup> constitute a significant portion of human service employees as they care for persons with disabilities, older adults who need assistance, and others either in residential facilities or in the client homes.

Since lagging reimbursement rates contribute to the inability of many community providers within the sector to offer competitive salaries, it is fair to infer that they also factor into why these workers' incomes fail to keep up with cost-of-living increases. Looking ahead, Illinois Partners is developing a study that will provide further insight into the demographic nuances of the human services workforce in Illinois.

## Moving Forward

- As the demand for human services increases due to the ongoing ramifications of COVID-19 combined with an ever-growing number of older adults seeking services, systemic changes are needed to ensure that supply meets demand and adequate services and programs are available to address the needs of all Illinoisans.
- Reimbursement rates must increase annually to accommodate current and pending minimum wage requirements (through January 1, 2025).
- Periodic studies are necessary to identify the true costs of providing services and to successfully incorporate this information and cost-of-living adjustments into the reimbursement standards for all areas of human service.

***The purpose of this report is to spur bold decision making about how and why human services must be adequately funded.*** We present rate levels across key human service fields, demonstrate how far rates have fallen behind the cost of living, and make a compelling case for systemic change to achieve sufficient funding levels for all human services provision in Illinois.

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5 Office of Management and Budget. (2020). FY21 Budget Book, Tables I-A. <https://www2.illinois.gov/sites/budget/pages/budgetbooks.aspx>

6 Illinois General Assembly. (2019). 820 ILCS 105/1-15, the "Minimum Wage Law," <https://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=2400&ChapAct=820%26nbsp%3bILCS%26nbsp%3b105/&ChapterID=68&ChapterName=EMPLOYMENT&ActName=Minimum+Wage+Law>.

7 Illinois Partners for Human Service (2019). *Minimum Wage Survey*. [Infographic]. <https://illinoispartners.org/wp-content/uploads/2020/11/Infographic.pdf>

8 Data USA. (various). [website and visualization engine of public US Government data] <https://datausa.io>

9 Almeida, B., Cohen, M.A., Stone, R.I., Weller, C.E. (2020). The Demographics and Economics of Direct Care Staff Highlight Their Vulnerabilities Amidst the COVID-19 Pandemic. *Journal of Aging & Social Policy*. <https://www.tandfonline.com/doi/full/10.1080/08959420.2020.1759757?scroll=top&needAccess=true&>

10 Campbell, S. (2017). U.S. home care workers: Key facts. PHI National. <https://phinational.org/wp-content/uploads/2017/07/phi-home-care-workers-key-facts.pdf> <https://www.tandfonline.com/doi/full/10.1080/08959420.2020.1759757?scroll=top&needAccess=true&>

# Methods

Practitioners from a variety of fields were interviewed to help identify programs where the reimbursement rate is a critical component of provider payment. These fields include: Substance Use Disorder Treatment, Senior Services, Child Care and Early Childhood Intervention, Foster Care Residential Child Welfare, Developmental Disabilities and Mental Health Community Services. Their expertise sheds light on the challenges associated with the current reimbursement levels as well as the implications of these rates on current practice.

Reimbursement rate information was gathered from documents and rate tables published on the websites of the Illinois Department of Human Services, Illinois Department of Healthcare and Family Services, Illinois Department of Children and Family Services and Illinois Department on Aging. Any rate information not available online was requested from each agency through the Freedom of Information Act (FOIA). In the original report, reimbursement rates were identified and published for FY2000, or the next available year thereafter to show the change over time when compared to FY2015. This updated analysis presents reimbursement rates in FY2021.

Cost-of-living increases were calculated using the Consumer Price Index – All Urban Consumers for the Midwest Region, all items including utilities and medical care costs (hereafter referred to as CPI).<sup>11</sup> Calculations were made using the fiscal year-to-fiscal year average. Tables throughout the report reflect projected reimbursement rate increases needed to adjust for cost of living based on CPI. **Table 1** lists the annualized CPI percent changes and overall change between FY2000 and FY2020.

**Table 1. Average Annual CPI Percent Change, FY2000-FY2020**

TOTAL CPI PERCENT CHANGE FY2000 - FY2020 = 45.6%					
FY2000	3.0%	FY2007	1.9%	FY2014	1.3%
FY2001	3.4%	FY2008	3.6%	FY2015	0.4%
FY2002	1.3%	FY2009	1.0%	FY2016	0.2%
FY2003	2.0%	FY2010	1.1%	FY2017	1.4%
FY2004	1.8%	FY2011	2.2%	FY2018	1.8%
FY2005	2.8%	FY2012	2.9%	FY2019	1.6%
FY2006	3.4%	FY2013	1.7%	FY2020	1.3%

Source: Bureau of Labor Statistics. Consumer Price Index: All Urban Consumers, Midwest, All Items

<sup>11</sup> U.S. Department of Labor, Bureau of Labor Statistics. Consumer Price Index: All items in Midwest urban, all urban consumers, not seasonally adjusted, Year-to-Year Average. Retrieved from: [https://data.bls.gov/timeseries/CUUR0200SA0?amp%253bdata\\_tool=XGtable&output\\_view=data&include\\_graphs=true](https://data.bls.gov/timeseries/CUUR0200SA0?amp%253bdata_tool=XGtable&output_view=data&include_graphs=true)

# Substance Use Disorder Treatment

***Although rates have increased since 2000, the rate at which they have risen has failed to keep pace with cost-of-living increases and restricts the ability of providers to increase wages while personnel requirements intensify.***

The Illinois Department of Human Services (DHS) Division of Substance Use Prevention and Recovery (SUPR), known until April 2018 as the Division of Alcoholism and Substance Abuse (DASA), sets rates for reimbursable services that are considered “reasonable and necessary for the diagnosis, care, treatment or rehabilitation of addiction related disorders,” as defined in 77 Ill. Adm. Codes 2060. Those services include early intervention (pre-treatment that addresses risk factors associated with substance use), outpatient clinical treatment, intensive outpatient/partial hospitalization, inpatient residential treatment with clinical services, and medically managed intensive inpatient services.<sup>12</sup> Other services such as admission and discharge assessments, case management, psychiatric/diagnostic, toxicology, and HIV testing, and counseling are also reimbursable. The rates for these services are billed to the closest quarter hour and are shown in **Table 2**.

SUPR service rates are reimbursable through Medicaid for eligible patients up to established Medicaid reimbursement limits. Services not covered by Medicaid (i.e., prevention programs, case management, early intervention, residential extended care recovery homes, or opioid maintenance therapy)<sup>13</sup> are reimbursed through the provider’s contract with DHS. While there are limitations on the number of service hours per patient that the State will reimburse within one year, the number of services and length of care per person are generally left up to the provider, as long as the need can be medically justified. This stipulation gives providers some flexibility, provided that their reimbursement is within the total amount stated in their contract with DHS.

## Reimbursement Rate Data

While SUPR rates have increased over the years, those increases totaled less than 20% between FY2000 and FY2021 for most services while CPI has increased 45.6%. In FY2020, Prevention and Recovery rates increased by 2.5%. Based on a SUPR Residential Rate Study, standardized rates were implemented for FY2021 residential treatment services on September 1, 2020. **Table 2** presents the rates for FY2000 and FY2021, as well as the FY2000 rates in FY2021 dollars after adjusting for CPI. Most of the associated SUPR reimbursement rates assessed would need to increase by approximately 24% to keep up with the current cost of living.

**Table 3** presents SUPR rates for services unavailable prior to FY2009. Since FY2009, these rates have increased by 11% or more. Most of the rates would need to increase by an additional 4% to keep up with cost of living.

There are a lot of costs not reflected in rates set years ago, such as the need for electronic data systems and cyber security insurance. Back in the day, pre-2009, all we needed was paper and a good lock to keep our files secure... We have seen small increases over the years, but we never went back to the same level, and that’s not even accounting for inflation.

- Anita Pindiur, Executive Director, The Way Back Inn

## SUBSTANCE USE DISORDER TREATMENT

SUPR rate increases have totaled **less than 15% over the last 20 years.**

**57%** of Substance Use Disorder treatment rates assessed would need an **increase of nearly 25%** to reach parity with CPI.

## RATES SNAPSHOT

## Challenges with Current Rates

The SUPR rates do not cover the full cost of providing each service — which SUPR acknowledges. The SUPR Contractual Policy Manual states, “However, the applicable rate may not always cover the actual cost of the service. When this occurs, it is expected that organizations can demonstrate how the remainder of the cost will be collected to ensure fiscal solvency.”<sup>14</sup> The total cost of providing treatment services includes staff salaries, utilities, rent, food, maintenance, insurance, and other administrative costs.

Service providers must make up for the uncovered costs through copayments charged to clients and other funds such as grants and private donations.

Another major problem for agencies is staff retention. Some staff positions require a master's degree, but providers report being unable to pay competitive salaries that reflect workers' credentials and merit. This deficiency results in staff leaving the nonprofit sector to work for the state or the private sector to earn higher salaries.

While demand for treatment services has increased, funding for substance use disorder treatment has not been enough to expand capacity, which limits providers' ability to meet the existing demand and provide effective treatment. A 2015 Roosevelt University study found that Illinois was third from the bottom nationwide in per capita funding for addiction treatment.<sup>15</sup> Inadequate funding makes it almost impossible for these nonprofit organizations to keep up with the demand for services. Instead, they are forced to eliminate some programs or provide services to fewer people, creating service cut-offs and waiting lists.

**Table 2. Reimbursement Rates for Substance Use Disorder Treatment, FY2000 and FY2021**

SERVICE	SERVICE UNIT	RATE FY2009	RATE FY2021	% CHANGE IN RATE FY09-21	FY09 RATE ADJUSTED FOR 2021 DOLLARS	% INCREASE IN FY2021 RATE NEEDED FOR CPI
LEVEL I & II (INDIVIDUAL)	HOUR	\$57.12	\$66.92	17.2%	\$83.14	24.2%
LEVEL I & II (GROUP)	HOUR	\$21.56	\$25.36	17.6%	\$31.38	23.7%
LEVEL III.1 (RESIDENTIAL)*	DAILY	\$61.43	\$86.70	41.1%	\$89.42	3.1%
RECOVERY HOME - ADULT	DAILY	\$44.19	\$55.92	26.5%	\$64.32	15%
CASE MANAGEMENT	HOUR	\$44.20	\$51.84	17.3%	\$64.34	24.1%
PSYCHIATRIC EVALUATION	PER ENCOUNTER /PER DAY	\$74.77	\$87.60	17.2%	\$108.84	24.2%
MEDICATION ASSISTED RECOVERY	WEEKLY	\$64.67	\$75.40	16.6%	\$94.13	24.8%
EARLY INTERVENTION (INDIVIDUAL)	HOUR	\$57.12	\$66.92	17.2%	\$83.14	24.2%
EARLY INTERVENTION (GROUP)	HOUR	\$21.56	\$25.36	17.6%	\$31.38	23.7%

\*FY2021 rate not included in update of SUPR Contractual Polity Manual. Updated rate confirmed by personal communication with provider.

Sources: Illinois Department of Human Services, Division of Alcoholism and Drug Abuse, DASA Contractual Policy Manual, Fiscal Years 2021, 2015, 2014, 2012, 2009, and 2000

**Table 3. Reimbursement Rates for Substance Use Disorder Treatment, FY2009 and FY2021**

SERVICE	SERVICE UNIT	RATE FY2009	RATE FY2021	% CHANGE IN RATE FY09-21	FY09 RATE ADJUSTED FOR 2021 DOLLARS	% INCREASE IN FY2021 RATE NEEDED FOR CPI
ADMISSION & DISCHARGE ASSESSMENT	HOUR	\$63.36	\$70.36	11%	\$73.42	4.4%
COMMUNITY INTERVENTION	HOUR	\$45.56	\$50.60	11.1%	\$52.79	4.3%
CHILD DOMICILIARY SUPPORT	DAILY	\$48.71	\$54.06	11%	\$56.45	4.4%
RECOVERY HOME - ADOLESCENT	DAILY	\$118.45	\$141.99	19.9%	\$137.26	0%

Note: The rates shown in this table only include service rates that were not available prior to FY2009.

Sources: Illinois Department of Human Services, Division of Alcoholism and Drug Abuse, DASA Contractual Policy Manual, Fiscal Years 2021, 2015, 2014, 2012, 2009, and 2000

12 Ill. Administrative Code 77, Chapter X, Subchapter d, Part 2060, Section 2060.401

13 Illinois Department of Human Services, Division of Substance Use Prevention and Recovery. SUPR Contractual Policy Manual, Fiscal Year 2021.

[https://www.dhs.state.il.us/OneNetLibrary/27896/documents/By\\_Division/SUPR/SUPR\\_Contractual\\_Policy\\_Manual\\_for\\_FY\\_2021.pdf](https://www.dhs.state.il.us/OneNetLibrary/27896/documents/By_Division/SUPR/SUPR_Contractual_Policy_Manual_for_FY_2021.pdf)

14 Id.

15 Roosevelt University Illinois Consortium on Drug Policy. (2015). As Heroin Crisis Escalates, State of Illinois Falls to 3rd Worst in Providing Treatment.

<https://1library.net/document/y914kplq-heroin-crisis-escalates-state-illinois-falls-providing-treatment.html>

# Senior Services

## **Stagnant rates for service providers pose a major challenge in recruiting and retaining staff.**

The Illinois Department on Aging (IDoA) administers a Community Care Program (CCP) that provides in-home and community-based services to older adults who meet eligibility criteria for Medicaid waiver services. CCP enables seniors who might otherwise need nursing home care to remain in their own homes with support from community-based resources. CCP services include:<sup>16</sup>

- **Adult Day Services:** Health monitoring, medication supervision, personal care, and recreational or therapeutic activities for individuals in need of daily care.
- **In-Home Services:** Assistance with household tasks, such as cleaning, preparing meals, laundry, and running errands.
- **Emergency Home Response Service:** 24-hour two-way voice emergency communication system for older adults with health and safety needs and mobility limitations.
- **Automated Medication Dispenser Service:** Programmable mechanical system that can dispense or alert the participant to take non-liquid, oral medications in the participant's residence in Illinois.

Services are coordinated through IDoA's statewide network of community-based Care Coordination Units that act as the central access point for older adults who have intensive long term care needs and want to remain in their own homes. These units coordinate supports, such as those available through CCP and/or additional resources, including home-delivered meals, respite care, home modifications, transportation, and more. Care coordinators assess and monitor an individual's needs, determine program eligibility, develop care plans, and arrange for an array of supportive services and referrals.<sup>17</sup>

CCP remains a key driver of cost savings and allows 80,000+ older adults in Illinois to remain in their own homes. And yet, these savings - which create a minimum of 5 to 1 return on investment - have outpaced the growing cost of providing care. Even with the increasing costs of local coordination of individual resources, the results and savings yielded justify more reasonable rates for these services.

- Kathy Weiman, CEO, Alternatives

## Reimbursement Rate Data

Community Care Program Service Provider rates have increased recently to reflect increases in the state minimum wage. A review of the Community Care Program reimbursement rates for Adult Day Services, In-Home Services, and transportation is provided below:

- **Adult Day Service** – Current rate: \$14.30 per hour;<sup>18</sup>
- **In-Home Service** – Current rate: \$23.40 per hour, effective 4-1-2021;<sup>19</sup>
- **Transportation** – Current rate: \$10.29 for each one-way trip to or from Adult Day Service.<sup>20</sup>

## **The Emergency Home Response Service and Care Coordination rates have remained the same since FY2000.**

The Illinois Department on Aging sets a fixed rate for Emergency Home Response Service which reimburses providers for a \$30 one-time installation fee and a \$28 monthly maintenance fee per client.<sup>21</sup>

### SENIOR SERVICES

Comprehensive Care Coordination reimbursement rates remain significantly below amounts needed to keep up with CPI.

60% of Senior Service reimbursement rates assessed need to **increase nearly 50%** to accommodate cost-of-living adjustments.

### RATES SNAPSHOT

Care Coordination Unit services have received only one rate increase in the past 15 years to compensate for increased work and to increase Medicaid reimbursement matches with the federal government. Beyond this, CCU's have received no rate increases despite increasing requirements and tasks added throughout the past decade.

**Table 4** presents Comprehensive Care Coordination reimbursement rates. Rates for services to older adults have increased over the past two years after more than a decade without increase. Rates for Initial Determination received a special add-on, which raised the rate significantly for the current fiscal year. Overall, however, rates for these services remain significantly below amounts needed to keep up with cost-of-living.

**Table 4. Reimbursement Rates for Comprehensive Care Coordination, FY2000 and FY2021**

SERVICE	SERVICE UNIT	RATE FY2000	RATE FY2021	% CHANGE IN RATE FY00-21	FY00 RATE ADJUSTED FOR 2021 DOLLARS*	% INCREASE IN FY2021 RATE NEEDED FOR CPI
CARE COORDINATION/SERVICE MONITORING (CASE MANAGEMENT)	HOURLY	\$12.83	\$12.83	0%	\$18.68	45.6%
INITIAL DETERMINATION	PER ENCOUNTER	\$142.73	\$342.73	140.1%	\$207.76	0%
INITIAL DETERMINATION WITH TRANSLATION	PER ENCOUNTER	\$167.73	\$367.73	119.2%	\$244.15	0%
REDETERMINATION	PER ENCOUNTER	\$107.07	\$174.00	62.5%	\$155.85	0%
REDETERMINATION WITH TRANSLATION	PER ENCOUNTER	\$132.07	\$199.00	50%	\$192.24	0%
FACE TO FACE PRESREEN	PER ENCOUNTER	\$88.08	\$89.53	1.6%	\$128.21	45.6%
NON FACE TO FACE PRESREEN	PER ENCOUNTER	\$19.23	\$19.55	1.7%	\$27.99	45.6%
FACE TO FACE PRESREEN WITH TRANSLATION	PER ENCOUNTER	\$113.08	\$114.95	1.7%	\$164.60	45.6%
PRESUMPTIVE SPOUSAL IMPOVERISHMENT	PER ENCOUNTER	\$142.73	\$142.73	0%	\$207.76	45.6%
PRESUMPTIVE SPOUSAL IMPOVERISHMENT WITH TRANSLATION	PER ENCOUNTER	\$167.73	\$167.73	0%	\$244.15	45.6%
DEINSTITUTIONALIZATION	PER ENCOUNTER	\$248.08	\$248.08	0%	\$361.11	45.6%

Note: Table does not include Adult Protective Services. Source: Illinois Department on Aging (FOIA Response)

## Challenges with Current Rates

A major challenge resulting from inadequate rates for service providers is recruiting and retaining staff. Providers assert that the current rates make it difficult to pay competitive salaries that attract and retain quality staff, which leads to constant turnover. Additionally, each year as costs rise, caseworkers must carry larger caseloads, leading to burnout and further staff turnover.

16 Community Care Program. Illinois Department on Aging. Retrieved from <https://www2.illinois.gov/aging/forprofessionals/Procurement/Pages/FAQ-CCP-ProviderBilling.aspx>

17 Community Care Program Care Coordination Units. Illinois Department on Aging. Retrieved from [https://www2.illinois.gov/aging/Resources/Documents/CCU\\_List.pdf](https://www2.illinois.gov/aging/Resources/Documents/CCU_List.pdf)

18 Community Care Program. Illinois Department on Aging. Retrieved from <https://www2.illinois.gov/aging/forprofessionals/Procurement/Pages/FAQ-CCP-ProviderBilling.aspx>

19 Updated rate confirmed by personal communication with provider.

20 Community Care Program. Illinois Department on Aging. Retrieved from <https://www2.illinois.gov/aging/forprofessionals/Procurement/Pages/FAQ-CCP-ProviderBilling.aspx>

21 Emergency Home Response Service, Application for Certification. Illinois Department on Aging. Retrieved from:

[https://www2.illinois.gov/aging/forprofessionals/Documents/Procure\\_EHRS\\_application.pdf#search=emergency%20response%20installation%20fee](https://www2.illinois.gov/aging/forprofessionals/Documents/Procure_EHRS_application.pdf#search=emergency%20response%20installation%20fee)

# Child Care

***Rate increases for child care centers occur more frequently than in other human services fields. Despite these regular increases, providers report challenges with rising costs of providing services, which hinders their ability to improve the quality of child care.***

This section looks at reimbursement rates for licensed child care centers only. Home-based child care is excluded because the focus of the report is the impact of rates on community organizations.

The Illinois Child Care Assistance Program (CCAP), operates under the Illinois Department of Human Services and subsidizes child care costs for low-income families by paying child care centers and home-based providers a daily rate for services. CCAP reimburses the provider at the established state rate, which is determined by geographic location, the child's age, and the type of provider. Parents are entitled to choose the provider that best fits the needs of their family. Families are required to pay part of the cost of care through a sliding scale co-payment based on family size and income.<sup>22</sup>

## Rate Setting Methodology

The Child Care field is unique compared to other human services in that reimbursement rates receive regular increases. Federal regulations under the Child Care and Development Fund (CCDF Final Rule, 45 CFR Parts 98 and 99) require that state agencies take a market-based approach to determining child care subsidy rates to ensure equal access and consumer choice. The CCDF requires that states conduct a local market rate survey every other year, which is used to determine if assistance rates are adequate to ensure subsidy recipients equal access to, and choice among, potential child care providers.<sup>23</sup> Child care markets vary by geographic region, the age of the child, and the type of care (family child care or center child care).

***Market rate surveys only capture data on the price charged for child care, not on the actual cost of providing child care in a given market.*** The price of care is the fee per child paid by non-subsidized families for services or, when serving a family receiving assistance, the subsidy payment rate plus the family's co-payment. For a variety of reasons, the cost of providing child care may actually exceed the price.<sup>24</sup>

## Reimbursement Rate Data

**Table 5** presents the rates for child care centers from FY2008 and FY2021.<sup>25</sup> Through the years, licensed child care center rates have received increases that have kept child care rates to levels generally commensurate with cost of living. As of January 2020, rates were raised across the board by 5% and by an additional 15% in Group 2 counties.

The rising costs of delivering services continue to pose a challenge for providers. According to the CCDF, subsidy rates are intended to cover 75% of child care prices, but assistance rates in Illinois generally do not reach this goal.<sup>26</sup> Inconsistencies exist in how adequately rates cover costs depending on the type of rate and the geographic market area. Assistance rates provide better coverage for children less than 6 years old in family child care homes than they do for children in child care centers. Child care providers in urban regions are reimbursed at higher rates than providers in rural and semi-urban regions.<sup>27</sup>

### CHILD CARE

An annual market survey is performed to determine whether the rates allow equal access to child care which has helped keep rates in line with CPI.

However, the survey does not take into account the actual cost of providing child care and **current rates do not meet the threshold suggested by the federal government to ensure equal access to care.**

### RATES SNAPSHOT

While expectations of child care providers have continued to rise, the ability to improve the quality of child care has stagnated. As a result, some providers may become more selective about the children they enroll by turning down families that are paying for child care through subsidies, or by requiring higher co-payments that families are unable to pay. Providers often supplement reimbursement rates with other funding such as federal Head Start programs or State Board of Education funding for services like preschool, supportive services, and after school programs that can be integrated with subsidized child care.

**Table 5. Reimbursement Rates for Licensed Day Care Centers, FY2008 and FY2021**

AGE OF CHILD	SERVICE UNIT	RATE FY2008	RATE FY2021	% CHANGE IN RATE FY08-21	FY08 RATE ADJUSTED FOR 2021 DOLLARS	% INCREASE IN FY2021 RATE NEEDED FOR CPI
<b>LICENSED DAY CARE CENTER IN URBAN COUNTIES</b>						
UNDER AGE 2 - FULL DAY	DAILY	\$40.50	\$56.00	38.3%	\$48.43	0%
UNDER AGE 2 - PART DAY	DAILY	\$20.25	\$28.00	38.3%	\$24.22	0%
AGE 2 - FULL DAY	DAILY	\$34.20	\$45.00	31.6%	\$40.90	0%
AGE 2 - PART DAY	DAILY	\$17.10	\$22.50	31.6%	\$20.45	0%
AGE 3 & OLDER - FULL DAY	DAILY	\$28.50	\$38.00	33.3%	\$34.08	0%
AGE 3 & OLDER - PART DAY	DAILY	\$14.25	\$19.00	33.3%	\$17.04	0%
<b>LICENSED DAY CARE CENTER IN COUNTIES WITH AT LEAST ONE URBAN AREA</b>						
UNDER AGE 2 - FULL DAY	DAILY	\$40.50	\$54.00	33.3%	\$48.43	0%
UNDER AGE 2 - PART DAY	DAILY	\$20.25	\$27.00	33.3%	\$24.22	0%
AGE 2 - FULL DAY	DAILY	\$32.00	\$42.00	31.3%	\$38.27	0%
AGE 2 - PART DAY	DAILY	\$16.00	\$21.00	31.3%	\$19.13	0%
AGE 3 & OLDER - FULL DAY	DAILY	\$24.00	\$35.00	45.8%	\$28.70	0%
AGE 3 & OLDER - PART DAY	DAILY	\$12.00	\$17.50	45.8%	\$14.35	0%
<b>LICENSED DAY CARE CENTER IN RURAL COUNTIES</b>						
UNDER AGE 2 - FULL DAY	DAILY	\$29.20	\$48.00	64.4%	\$34.92	0%
UNDER AGE 2 - PART DAY	DAILY	\$14.60	\$24.00	64.4%	\$17.46	0%
AGE 2 - FULL DAY	DAILY	\$24.80	\$38.00	53.2%	\$29.66	0%
AGE 2 - PART DAY	DAILY	\$12.40	\$19.00	53.2%	\$14.83	0%
AGE 3 & OLDER - FULL DAY	DAILY	\$20.70	\$32.00	54.6%	\$24.70	0%
AGE 3 & OLDER - PART DAY	DAILY	\$10.35	\$16.00	54.6%	\$12.30	0%

Sources: Illinois Department of Human Services Market Rate Survey of Licensed Child Care Programs in Illinois, FY2008; Illinois Department of Human Services, Child Care Payment Rates for Child Care Centers, Effective January 1, 2021.

22 Illinois Department of Human Services. *How to Become a CCAP Provider*. <https://www.dhs.state.il.us/page.aspx?item=87064>

23 Illinois Department of Human Services. (May 2019). Market Rate Survey of Licensed Child Care Programs in Illinois, FY2018.

Retrieved from: <https://www.dhs.state.il.us/page.aspx?item=117317>

24 Id.

25 Since the focus of this report is on organizations that provide direct services, this analysis does not include rates for Child Care Home Providers.

26 Illinois Department of Human Services. (May 2019). Market Rate Survey of Licensed Child Care Programs in Illinois, FY2018.

Retrieved from: <https://www.dhs.state.il.us/page.aspx?item=117317>

27 Id.

# Early Intervention

***Until recently, reimbursement rates had not increased for the majority of these services in more than a decade.***

Early Intervention programs are designed for children from birth to age 3 to identify special needs at an early age to prevent the need for further special education services at an older age.

Sixteen service areas fall within Early Intervention:

1. Assistive Technology Devices & Services
2. Audiology, Aural Rehabilitation & Related Developmental Therapy
3. Family Training & Support
4. Health Consultation
5. Medical Services for Diagnostic & Evaluation Purposes
6. Nursing
7. Nutrition
8. Occupational Therapy
9. Physical Therapy
10. Psychological & Other Counseling Services
11. Service Coordination
12. Social Work & Other Counseling Services
13. Speech Language Therapy
14. Transportation
15. Vision Services

Early Intervention services in Illinois are at least 2.5 times less costly annually than special education services in the preschool and elementary years. Nationwide, nearly half of children leave early intervention programs functioning at age level and do not need special education at kindergarten age. However, Early Intervention services are underutilized in Illinois and nationally.

- Ireta Gasner,  
Vice President of Illinois Policy, Start Early

## EARLY INTERVENTION SERVICES

85% of Early Intervention services have received increases of **less than 6.1%** in the last 15 years.

98% of Early Intervention service rates assessed would need an **increase of 22% or more** to be in line with CPI.

## RATES SNAPSHOT

## Reimbursement Rate Data

Until recently, reimbursement rates for the vast majority of these services had not increased in more than a decade.<sup>28</sup> In FY2020, Early Intervention Developmental Therapy increased 6% and other Early Interventions increased 3%.

**Table 6** presents the FY2004 and FY2021 rates, and the adjustment needed for the rates to hold equal purchasing power through FY2021. To make up for cost of living increases since FY2004, the average rate would need to increase by about 25%.

<sup>28</sup> Start Early. *Support Overdue Rate Increase for Early Intervention Providers*. (2019). <https://startearly.org/app/uploads/pdf/ENG-Early-Intervention-Rate-Increase-HB2191-SB1316-Fact-Sheet.pdf>

**Table 6. Reimbursement Rates for Early Intervention Services, FY2004 and FY2021  
(IFSP = Individualized Family Service Plan)**

SERVICE	SERVICE UNIT	RATE FY2004	RATE FY2021	% CHANGE IN RATE FY04-21	FY04 RATE ADJUSTED FOR 2021 DOLLARS	% INCREASE IN FY2021 RATE NEEDED FOR CPI
<b>DEVELOPMENTAL THERAPY (DT)</b>						
EVALUATION/ASSESSMENT ONSITE	15 MINS	\$10.71	\$11.89	11.0%	\$14.32	22.5%
EVALUATION/ASSESSMENT OFFSITE	15 MINS	\$13.50	\$14.74	9.2%	\$18.05	22.5%
IFSP DEVELOPMENT	15 MINS	\$10.71	\$11.69	9.2%	\$14.32	22.5%
IFSP MEETING	15 MINS	\$13.50	\$14.74	9.2%	\$18.05	22.5%
INDIVIDUAL DT - ONSITE	15 MINS	\$10.71	\$11.69	9.2%	\$14.32	22.5%
INDIVIDUAL DT - OFFSITE	15 MINS	\$13.50	\$14.74	9.2%	\$18.05	22.5%
GROUP DT	15 MINS	\$2.68	\$2.93	9.3%	\$3.58	22.3%
<b>OCCUPATIONAL, PHYSICAL, &amp; SPEECH THERAPY</b>						
EVALUATION/ASSESSMENT ONSITE	15 MINS	\$14.11	\$14.97	6.1%	\$18.87	26%
EVALUATION/ASSESSMENT OFFSITE	15 MINS	\$17.61	\$18.68	6.1%	\$23.54	26%
IFSP DEVELOPMENT	15 MINS	\$14.11	\$14.97	6.1%	\$18.87	26%
IFSP MEETING	15 MINS	\$17.61	\$18.68	6.1%	\$23.54	26%
INDIVIDUAL THERAPY ONSITE	15 MINS	\$14.11	\$14.97	6.1%	\$18.87	26%
INDIVIDUAL THERAPY OFFSITE	15 MINS	\$17.61	\$18.68	6.1%	\$23.54	26%
GROUP THERAPY	15 MINS	\$7.65	\$8.12	6.1%	\$10.23	26%
<b>PSYCHOLOGICAL &amp; OTHER COUNSELING SERVICES</b>						
EVALUATION/ASSESSMENT ONSITE	15 MINS	\$16.87	\$17.90	6.1%	\$22.56	26%
EVALUATION/ASSESSMENT OFFSITE	15 MINS	\$20.94	\$22.22	6.1%	\$28.00	26%
IFSP DEVELOPMENT	15 MINS	\$16.87	\$17.90	6.1%	\$22.56	26%
IFSP MEETING	15 MINS	\$20.94	\$22.22	6.1%	\$28.00	26%
INDIVIDUAL TREATMENT ONSITE	15 MINS	\$16.87	\$17.90	6.1%	\$22.56	26%
INDIVIDUAL TREATMENT OFFSITE	15 MINS	\$20.94	\$22.22	6.1%	\$28.00	26%
GROUP TREATMENT	15 MINS	\$4.21	\$4.47	6.1%	\$5.63	25.9%

Illinois Department of Human Services, Community and Health Prevention, Bureau of Early Intervention. (2004 and 2009). Early Intervention Service Descriptions, Billing Codes and Rates - Provider Handbook.

**(Table 6. Reimbursement Rates for Early Intervention Services, 2004-2021 cont...)**

SERVICE	SERVICE UNIT	RATE FY2004	RATE FY2021	% CHANGE IN RATE FY04-21	FY04 RATE ADJUSTED FOR 2021 DOLLARS	% INCREASE IN FY2021 RATE NEEDED FOR CPI
<b>SOCIAL WORK/COUNSELING</b>						
EVALUATION/ASSESSMENT ONSITE	15 MINS	\$11.25	\$11.94	6.1%	\$15.04	26%
EVALUATION/ASSESSMENT OFFSITE	15 MINS	\$13.54	\$14.37	6.1%	\$18.10	26%
IFSP DEVELOPMENT	15 MINS	\$11.25	\$11.94	6.1%	\$15.04	26%
IFSP MEETING	15 MINS	\$13.54	\$14.37	6.1%	\$18.10	26%
INDIVIDUAL TREATMENT ONSITE	15 MINS	\$11.25	\$11.94	6.1%	\$15.04	26%
INDIVIDUAL TREATMENT OFFSITE	15 MINS	\$13.54	\$14.37	6.1%	\$18.10	26%
GROUP TREATMENT	15 MINS	\$2.81	\$2.98	6.0%	\$3.76	26.1%
<b>NURSING</b>						
EVALUATION/ASSESSMENT ONSITE	15 MINS	\$11.39	\$11.73	3.0%	\$15.23	29.8%
EVALUATION/ASSESSMENT OFFSITE	15 MINS	\$14.36	\$14.79	3.0%	\$19.20	29.8%
IFSP DEVELOPMENT	15 MINS	\$11.39	\$11.73	3.0%	\$15.23	29.8%
IFSP MEETING	15 MINS	\$14.36	\$14.79	3.0%	\$19.20	29.8%
NURSING SERVICES ONSITE	15 MINS	\$11.39	\$11.73	3.0%	\$15.23	29.8%
NURSING SERVICES OFFSITE	15 MINS	\$14.36	\$14.79	3.0%	\$19.20	29.8%
GROUP NURSING SERVICES	15 MINS	\$2.85	\$2.94	3.0%	\$3.81	29.6%
<b>NUTRITION</b>						
ASSESSMENT ONSITE	15 MINS	\$21.29	\$21.93	3.0%	\$28.46	29.8%
ASSESSMENT OFFSITE	15 MINS	\$26.27	\$27.06	3.0%	\$35.12	29.8%
IFSP DEVELOPMENT	15 MINS	\$21.29	\$21.93	3.0%	\$28.46	29.8%
IFSP MEETING	15 MINS	\$26.27	\$27.06	3.0%	\$35.12	29.8%
NUTRITION SERVICES ONSITE	15 MINS	\$21.29	\$21.93	3.0%	\$28.46	29.8%
NUTRITION SERVICES OFFSITE	15 MINS	\$26.27	\$27.06	3.0%	\$35.12	29.8%
GROUP NUTRITION SERVICES	15 MINS	\$5.31	\$5.47	3.0%	\$7.10	29.8%

**(Table 6. Reimbursement Rates for Early Intervention Services, 2004-2021 cont...)**

SERVICE	SERVICE UNIT	RATE FY2004	RATE FY2021	% CHANGE IN RATE FY04-21	FY04 RATE ADJUSTED FOR 2021 DOLLARS	% INCREASE IN FY2021 RATE NEEDED FOR CPI
HEALTH CONSULTATION (EI = EARLY INTERVENTION)						
HEALTH/PHYSICIAN TO EI PROVIDER	N/A	\$35.02	\$36.07	3.0%	\$46.82	29.8%
MEDICAL SERVICE FOR DIAGNOSTIC/EVALUATION PURPOSES						
MEDICAL DIAGNOSTIC EVALUATION	N/A	\$201.46	\$207.50	3.0%	\$269.35	29.8%
AUDIOLOGY (A/R=AURAL REHABILITATION)						
HEARING AID ASSESSMENT	N/A	\$14.11	\$14.97	6.1%	\$18.87	26%
HEARING SCREENING	N/A	\$17.61	\$18.68	6.1%	\$23.54	26%
AURAL REHABILITATION ASSESSMENT - ONSITE	15 MINS	\$14.11	\$14.97	6.1%	\$18.87	26%
A/R ASSESSMENT - OFFSITE	15 MINS	\$17.61	\$18.68	6.1%	\$23.54	26%
A/R IFSP DEVELOPMENT	15 MINS	\$14.11	\$14.97	6.1%	\$18.87	26%
A/R IFSP MEETING	15 MINS	\$17.61	\$18.68	6.1%	\$23.54	26%
A/R SERVICES - ONSITE	15 MINS	\$14.11	\$14.97	6.1%	\$18.87	26%
A/R SERVICES - OFFSITE	15 MINS	\$17.61	\$18.68	6.1%	\$23.54	26%
A/R SERVICES - ONSITE	15 MINS	\$7.65	\$8.12	6.1%	\$10.23	26%
VISION SERVICES						
OPTOMETRIC EXAMINATION	N/A	\$29.17	\$30.15	3.0%	\$39.13	29.8%
DISPENSING FEE	N/A	\$12.33	\$30.99	151.3%	\$16.49	0%
ASSESSMENT - ONSITE	15 MINS	\$10.71	\$11.36	6.1%	\$14.32	26%
ASSESSMENT - OFFSITE	15 MINS	\$13.50	\$14.33	6.1%	\$18.05	26%
IFSP DEVELOPMENT	15 MINS	\$10.71	\$11.36	6.1%	\$14.32	26%
IFSP MEETING	15 MINS	\$13.50	\$14.33	6.1%	\$18.05	26%
VISION SERVICES - ONSITE	15 MINS	\$10.71	\$11.36	6.1%	\$14.32	26%
VISION SERVICES - OFFSITE	15 MINS	\$13.50	\$14.33	6.1%	\$18.05	26%
GROUP VISION SERVICES	15 MINS	\$2.60	\$2.84	9.2%	\$3.48	22.4%

# Foster Care & Residential Child Welfare

**Current rates are out of sync with the ever-increasing cost of staff salaries and healthcare benefits, perpetuating high turnover.**

The Department of Children and Family Services (DCFS) sets rates to reimburse providers for the provision of comprehensive services, including 24/7 therapeutic residential treatment, foster family care services, licensure, training, monitoring foster homes, facilitating family visits, making critical decisions about child safety and permanency, facilitating referrals, testifying in court, and arranging counseling and therapy. Key reimbursable services are:

- **Traditional/Home of Relative Foster Care** – Supports such as counseling and case management are provided to foster children and both their foster and biological families as they work toward reunification. Providers identify and facilitate other permanency options such as adoption when safe reunification is not possible.
- **Specialized Foster Care** – In addition to Traditional Care services, specialized providers ensure and monitor medical and mental health services for children with an acute health diagnosis through intensive case management, comprehensive mental health services, and other medical, developmental, and educational services specific to each child’s needs. This includes specialized training and support for foster caregivers.
- **Residential Treatment** – Survivors of significant abuse and neglect require intense, trauma-informed, and evidence-based therapeutic interventions in a safe and structured environment. This includes behavior management and psychiatric treatment with the goal of helping each youth heal, cope, and safely return to a family and community setting.
- **Transitional Living Program** – Supervised group living arrangements offering support and monitoring for adolescents age 17-21.
- **Independent Living Program** – Apartment living arrangement for 18-21-year-olds phasing out of the foster care system to help them acquire the life skills necessary for successful independent living.

Foster care rates are reimbursed on a per diem basis, with a portion paid to the foster family and another portion paid to the comprehensive case management provider. Currently, there is no regular review or adjustment of rates to ensure they reflect the actual costs of delivering services. In fact, there have been very few adjustments for 20 years to the nonprofit sector providers that supply 100% of residential care and 85% of foster care in Illinois.<sup>29</sup>

We have historically underfunded our child welfare system, thus extending and perpetuating the racial disparities within it... Children and youth in care, and especially Black children, are paying the price of an underfunded system.

- Andrea Durbin, CEO, Illinois Collaboration on Youth, Testimony to Senate Appropriations - Human Services Subcommittee, 3/31/ 2021

## FOSTER CARE & RESIDENTIAL CHILD WELFARE

Very few rate adjustments have been made over the past 20 years for contracted providers that supply **100% of residential care and 85% of foster care.**

Residential and foster care service providers have **staff turnover rates of nearly 40%.**

**70%** of these rates require increases to reach CPI parity.

## RATES SNAPSHOT

## Reimbursement Rate Data

**Table 7** demonstrates the average reimbursement rates for foster care and residential care. **Fluctuations in average rates over the years signify changes in the level of need served by each program rather than increases or decreases in reimbursement rates.** The average rates fluctuate annually when foster children transition between high and low-cost programs. While rate calculation follows a standard model, the actual cost is unique to each program. For example, a more intensive residential program requires more staff. Therefore, fluctuations reflect changing patterns and the extent to which various programs are used. The result is that programs end up with their own rates based on the level of need of foster cases being handled by a provider.

**Table 7. Select Average Per Diem Reimbursement Rates for Foster Care and Residential Services, FY2010 and FY2021**

SERVICE	SERVICE UNIT	RATE FY2010	RATE FY2021	% CHANGE IN RATE FY10-21	FY10RATE ADJUSTED FOR 2021 DOLLARS	% INCREASE IN FY2021 RATE NEEDED FOR CPI
<b>FOSTER CARE</b>						
SPECIALIZED FOSTER CARE	PER DAY	\$119.45	\$132.74	11.1%	\$138.69	4.5%
TRADITIONAL FOSTER CARE	PER DAY	\$36.20	\$41.24	13.9%	\$42.03	1.9%
ALL OTHER CODES	PER DAY	\$14.54	\$13.99	-3.8%	\$16.88	20.7%
TOTAL FOSTER CARE AVERAGE	PER DAY	\$52.00	\$53.00	1.9%	\$60.38	13.9%
<b>INSTITUTION &amp; GROUP HOME SERVICES</b>						
PBC RESIDENTIAL	PER DAY	\$312.07	\$347.46	11.3%	\$362.34	4.2%
NON-PERFORMANCE INSTITUTION/GROUP HOME	PER DAY	\$353.69	\$403.19	14.0%	\$410.67	1.8%
INDEPENDENT LIVING PROGRAM*	PER DAY	\$115.94	\$124.54	7.4%	\$132.17	6.4%
TRANSITIONAL LIVING PROGRAM*	PER DAY	\$215.25	\$261.70	21.6%	\$245.39	0%
INDEPENDENT/TRANSITIONAL LIVING COMBINED	PER DAY	\$175.42	\$207.86	18.5%	\$18.87	0%
SHELTERS	PER DAY	\$525.62	\$1064.16	82.9%	\$675.59	0%

PBC=Performance Based Contracting

Notes: Table does not include rates paid to foster care families, only those paid to agencies that provide foster care services. Rates increased by a minimum of 2% in FY21.

Source: Illinois Department of Children and Family Services, "Big 3" Average Costs FY15./C&G Consulting.

## Challenges with Current Rates

One of the biggest challenges experienced by residential and foster care service providers is the ever-increasing cost of staff salaries and healthcare benefits. Currently, many youth care staff entering the residential workforce are paid just over the minimum wage of \$11 per hour, contributing to staff turnover rates of nearly 40%.<sup>30</sup> There is no mechanism to adjust for cost-of-living increases on an annual basis, yet providers still must account for staff and facility costs, including building maintenance, repairs, and upkeep; transportation and gas; food, and utilities.

The investment in youth in need of foster care placement has eroded over time. Residential providers have closed programs, resulting in children remaining in psychiatric hospitals beyond medical necessity, and foster care providers have not been able to maintain salaries that attract and retain the needed workforce. Position vacancies are at an all-time high, further exacerbating the likelihood of children not receiving the critical services needed to keep them safe and move them out of the foster care system in a timely way into permanent family living situations. Black children in Illinois are disproportionately represented in both foster and residential care, and this perpetuates our state's inability to improve upon a history of disenfranchisement and social injustice.<sup>31</sup>

29 Illinois Department of Children and Family Services. Illinois Annual Progress and Services Report. (2020).

[https://www2.illinois.gov/dcf/aboutus/newsandreports/Documents/APSR\\_2021.pdf](https://www2.illinois.gov/dcf/aboutus/newsandreports/Documents/APSR_2021.pdf)

30 Illinois Partners for Human Service. (2019). *The Relationship Between Low Wages, Employee Turnover and Community Well-Being*.

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31 Durbin, A. *The Rising Number of Children in Foster Care Points out How Illinois Fails Black Women and Their Families* (2021). Illinois Collaboration on Youth.

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# Developmental Disabilities

***Chronically insufficient wages have made it difficult for employers to attract and retain quality staff.***

Key services provided to individuals with developmental disabilities funded by reimbursement rates from the Illinois Department of Human Services (both home and community-based waiver and entitlement services) include:

- **Home-Based Supports**, including caregiver training and counseling, treatment plans, nursing, and caregiver transportation.
- **Day Services**, including developmental skills training, employment and job coaching, and adult day care.
- **Residential Supports:**
  - **Community Integrated Living Arrangements (CILA)** are homes for 8 or fewer adults (age 18 and older) with developmental disabilities, who receive personal support services from a local community developmental services agency.
  - **Intermediate Care Facilities (ICF)** provide 24-hour residential care and active treatment for individuals with developmental disabilities and can provide a nursing facility level of care. These facilities are licensed by the Illinois Department of Public Health as ICFs/DD (up to 16 beds and 17 beds or more) and are certified for Medicaid participation by HFS.
  - **Residential Staff** who work within CILAs, ICFs, and children's group homes provides home-based services to fulfill a treatment plan for the individual receiving services. Residential staff positions include Direct Support Professional (DSP), Qualified Intellectual Disabilities Professional (QIDP), Licensed Practical Nurse (LPN), Registered Nurse (RN), and residential supervisors.

## CILA Rate Setting Methodology

Since 1994, the reimbursement rates paid by DHS to service provider agencies for CILA placements have been determined by a CILA Individual Rate Model, which bases the rate on a specific individual's needs and the conditions in which the CILA supports are being provided. The differentiation will take into account adaptive behavior, personal living skills, problem behaviors, the county where a person resides, the number of people living in the CILA, and the level of mobility, which taken together are used to calculate the person's Inventory for Client and Agency Planning (ICAP) score. The rates are calculated by adding base residential supports (e.g., room and board, program, transportation, and administration costs) and non-base individual supports (e.g., nursing, dietician services, counseling, therapy) referred to as the Topline Individual CILA Rate; less third party payments (i.e. income such as wages, Supplemental Security Income, or Social Security) referred to as the Bottomline Individual CILA Rate.<sup>32</sup> Incentives (floors) and disincentives (caps) are implemented to control the environments in which services are provided.

Based on the rate model, every person receiving developmental disabilities services has their own individual rate that is reimbursed to the community service provider. The average topline and bottomline Individual CILA Rates fluctuate based on the changing needs of individuals served. While changes over time may appear to be increases in average rates, they are due to the increasing needs of individuals. This increase in need is due in part to the shift to deinstitutionalize individuals with disabilities, relocating from large intermediate care facilities or nursing facilities to smaller community homes.

## DEVELOPMENTAL DISABILITIES

Some assessed reimbursement rates would need to **increase by as much as 22.6%** to keep up with CPI since FY2008.

A survey of community providers of developmental disability services found **a turnover rate of 48%** in Illinois.

## RATES SNAPSHOT

## Residential Staff Rates

Until recently, the base hourly wage rates for residential staff had not been increased since FY2002.<sup>33</sup> **Table 8** presents the residential staff base wage rates and the adjustment that would be needed for the FY2002 rates to hold equal purchasing power in 2021. The rates would need to increase up to almost 14% to keep up with the cost of living.

**Table 9** presents the residential staff wages including fringe from FY2008 and FY2021. The FY2013 and FY2018 increases allowed for fringe benefits to equal more than 25% of the staff wage, totaling a 4% increase in wages with fringe (the base hourly wage rate remained the same). In order for the FY2008 rates to hold equal purchasing power in 2021, the wage rates with fringe would need to be increased by up to 10%.

The hourly residential staff wage rates are averages, so the actual wage rate paid to an employee may vary by geographic location. For instance, while an entry level Direct Support Professional (DSP) might earn \$14.21 per hour in one area, an entry level DSP in an area with a lower cost of living might make minimum wage. The average DSP earns \$12.43 per hour in Illinois.<sup>34</sup>

When you can make \$15 an hour at Amazon, it's sadly an easy choice.

Caring, compassionate people who want to do this important work simply cannot afford to.

- They Deserve More Coalition,  
DSP Minimum Wage Fact Sheet

**Table 8. Residential Staff Base Hourly Wage Rates, FY2002 and FY2021**

STAFF POSITION	BASE WAGE RATE FY2002	BASE WAGE RATE FY2021	% CHANGE IN RATE FY04-21	FY02 RATE ADJUSTED FOR 2021 DOLLARS	% INCREASE IN FY2021 RATE NEEDED FOR CPI
DIRECT CARE STAFF PERSON (DSP) - DAY	\$10.71	\$14.50	35.4%	\$14.93	3.0%
DSP - NIGHT	\$7.24	\$14.50	100.3%	\$10.09	0%
RESIDENTIAL SUPERVISOR	\$13.40	\$17.29	29.0%	\$18.68	8.0%
QUALIFIED INTELLECTUAL DISABILITIES SPECIALIST	\$15.11	\$19.60	29.7%	\$21.06	7.5%
LICENSED PRACTICAL NURSE	\$14.43	\$18.35	27.2%	\$20.12	9.6%
REGISTERED NURSE	\$17.93	\$21.98	22.6%	\$24.99	13.7%

Source: Illinois Department of Human Services, Division of Developmental Disabilities

**Table 9. Residential Staff Hourly Wage Rates with Fringe, FY2008 and FY2021**

STAFF POSITION	BASE WAGE RATE FY2002	BASE WAGE RATE FY2021	% CHANGE IN RATE FY04-21	FY04 RATE ADJUSTED FOR 2021 DOLLARS	% INCREASE IN FY2021 RATE NEEDED FOR CPI
DIRECT CARE STAFF PERSON (DSP) - DAY	\$12.86	\$18.13	41.0%	\$17.93	0%
RESIDENTIAL SUPERVISOR	\$16.08	\$21.61	34.4%	\$22.42	3.7%
QUALIFIED INTELLECTUAL DISABILITIES SPECIALIST	\$18.14	\$24.50	35.1%	\$25.29	3.2%
LICENSED PRACTICAL NURSE	\$17.31	\$22.94	32.5%	\$24.13	5.2%
REGISTERED NURSE	\$21.52	\$27.48	27.7%	\$30.00	9.2%

Source: Illinois Department of Human Services, Division of Developmental Disabilities, DDD Rate Table Effective January 1, 2021 and DDD FY08 Rates Table

## Individual Service Rates

Individual supports not included in the residential rate are billed separately to DHS for reimbursement. These supports include the following: Behavior Intervention Planning, Individual and Group Therapy, Individual and Group Counseling, Physical Therapy, Occupational Therapy, and Speech Therapy. Day Programs such as Developmental Training and Employment Training are billed by client hour, and the number of hours that can be billed for reimbursement per year is limited. The majority of these rates are reimbursable through the Medicaid Home and Community Based Services Waiver Program, which funds services that allow individuals to remain in their own home or live in a community setting.<sup>35</sup>

Developmental Disability (DD) service rates increased in the past two years at around cost-of-living increase levels but remain behind cost-of-living advances.<sup>36</sup> For FY2020, Community-Based Services, ICFs, and In-Home Respite were increased by 3.5%. **Table 10** presents the adjustments needed for the FY2008 rates to keep up with cost-of-living increases. While most Developmental Disability rates have reached parity, other rates would need to increase 22.6% to make up for cost of living increases since 2008.

**Table 10. Reimbursement Rates for Selected DD Programs and Services, FY2008 and FY2021**

SERVICE	SERVICE UNIT	RATE FY2008	RATE FY2021	% CHANGE IN RATE FY04-21	FY08 RATE ADJUSTED FOR 2021 DOLLARS	% INCREASE IN FY2021 RATE NEEDED FOR CPI
THERAPIES						
INDIVIDUAL COUNSELING	HOURLY	\$30.57	\$38.64	26.4%	\$36.47	0%
GROUP COUNSELING	HOURLY	\$10.19	\$12.88	26.4%	\$12.16	0%
INDIVIDUAL THERAPY	HOURLY	\$38.21	\$48.30	26.4%	\$45.58	0%
GROUP PHYSICAL	HOURLY	\$12.74	\$16.10	26.4%	\$15.20	0%
PHYSICAL THERAPY	HOURLY	\$37.00	\$36.00	-2.7%	\$44.14	22.6%
OCCUPATIONAL THERAPY	HOURLY	\$37.00	\$36.00	-2.7%	\$44.14	22.6%
SPEECH THERAPY	HOURLY	\$37.00	\$36.00	-2.7%	\$44.14	22.6%
DAY PROGRAMS						
SUPPORTED EMPLOYMENT (GROUP)	HOURLY	\$11.63	\$14.70	26.4%	\$13.87	0%
SUPPORTED EMPLOYMENT (INDIVIDUAL)	HOURLY	\$13.03	\$16.48	26.5%	\$15.54	0%
ADULT DAY CARE	HOURLY	\$8.68	\$12.34	42.2%	\$10.36	0%

Source: Illinois Department of Human Services, Division of Developmental Disabilities, DDD Rate Table Effective January 1, 2021 and DDD FY08 Rates Table

## Challenges with Current Rates

CILA rate setting is inconsistent with Day Program and Home-Based Support rate setting. While the CILA rate methodology is intended to be based on need, the individual support rates are set at a flat rate, which is not based on need.

A significant problem with the CILA rates is that the rate setting methodology contains no mechanism to implement an annual rate increase. Cost-of-living increases could be used to begin to adjust rates to better reflect the cost of providing services. The CILA rate has not adjusted to reflect the growing costs of utilities, technology, and communications (for example, broadband internet), or transportation needs for residents, which is particularly costly in rural areas of the state.

The reimbursement rates for Developmental Disability services have generally not kept pace with the cost of living. Effective January 1, 2020, the state minimum wage will have increased 80% since the CILA program began, while DSP average reimbursement will have increased only 25%.<sup>37</sup> Additionally, the work requires specialized training and state certification and can be rigorous. However, the pay scale is just above minimum wage with a DSP earning, on average, \$12.43 per hour in Illinois. The state's turnover rate in this field is 54.5%, nearly 12% higher than the national average.<sup>38</sup>

**A survey of community providers of Developmental Disability services found a turnover rate of 48% in Illinois.**<sup>39</sup> In 2019, as part of the State's effort to come into compliance with the LIGAS Consent Decree, Guidehouse initiated a study of Developmental Disability providers, relying on their feedback to develop a series of 10 recommendations for the sustainability and success of developmental disability programs. The extensive study details suggested rates for services from 2022 through 2026. One of the recommendations is that DSP wages should be established significantly higher than the minimum wage, given the difficulty of the work and the necessity to recruit and retain staff in competition with a broad range of other industries drawing on the same general labor force.<sup>40</sup>

Service agencies must supplement the reimbursement rates with other means of funding in order to pay staff adequately, give raises, and retain staff. However, supplemental resources still do not close the wage gap between nonprofit workers and higher paid government or private sector workers. A 2006 study found that residential developmental disability service workers earned 18% less than those working at State Operated Facilities for individuals with developmental disabilities.<sup>41</sup> Nonresidential staff earned between 28% and 64% less than State Operated Facility staff.<sup>42</sup>

Currently, it is more efficient and cost effective to provide community and residential services than it is for individuals to live in State Operated Facilities. Through state employee collective bargaining agreements, staff working at State Operated Facilities are able to receive wage and benefit increases funded through state budget appropriations. Community service employers, however, do not receive similar increases in reimbursement rates to pass along to their employees.

Investment is needed in the human services workforce, both as a matter of equity and to ensure the sector is able to attract, support, and retain talented and committed individuals... the workforce is disproportionately female, disproportionately people of color, and disproportionately low-income to moderate-income people who have been acting as essential workers and have shouldered the burden of care in this pandemic.

- Josh Evans, President and CEO  
Illinois Association of Rehabilitation Facilities  
Written Statement on DHS Budget Briefing in the Senate

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35 Home and Community Based Services Waiver Programs. Illinois Department of Healthcare and Family Services. Retrieved from <http://www.illinois.gov/hfs/medicalclients/HCBS/Pages/default.aspx>

36 In response to a FOIA request to DHS for service rates for FY2000 or the next available year thereafter, DHS provided FY2008 rates.

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<https://colemanfoundation.org/wp-content/uploads/2020/01/Direct-Service-Professional-Turnover-in-IL-Report.pdf>

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41 Powers, E., Powers, N., & Merriman, D. (July 2006). *State Funding of Community Agencies for Services Provided to Illinois Residents with Mental Illness and/or Developmental Disabilities*. University of Illinois Institute of Government and Public Affairs.

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# Mental Health

## ***Illinois pays some of the lowest reimbursement rates in the country for fee-for-service and Medicaid Managed Care reimbursement systems for mental health services.***

There are a number of community mental health services that are reimbursed through the Illinois Department of Healthcare and Family Services (HFS). Some core and essential community-based mental health services and supports are funded through provider agreements and grant agreements with the DHS Division of Mental Health, such as permanent supportive housing, crisis, supervised, and residential services.

Medicaid is a major source of funding for Community Mental Health Centers, Behavioral Health Clinics, and Independent Practitioners. For the original rates report, *Failing to Keep Pace*, the general requirements for community mental health centers, including eligibility standards, service criteria, scope of services, and the Medicaid rate setting process, were specified in DHS Rule 132 under Title 59 of the Illinois Administrative Code. The rates were based on the average annual direct care wages and salaries for each of the direct care staff classifications - Rehabilitative Services Associate (**RSA**), Mental Health Professional (**MHP**), Qualified Mental Health Professional (**QMHP**), and Registered Nurse (**RN**) – which were obtained from State of Illinois Consolidated Financial Reports. The calculation was the sum of average annual direct care wages and salaries (including paid benefits) and annual per person overhead and administrative costs necessary for direct care staff divided by billable annual direct care staff hours.

In 2019, however, the sections of DHS Rule 132 that included the service criteria and scope of services were transferred to HFS and incorporated into “Rule 140” (89 Ill. Adm. Code Part 140.453) – also known as Medicaid Rehabilitation Option (MRO). The rate setting sections were eliminated in both Rules, and any adjustments to the reimbursement rates are now determined by General Assembly appropriations. There is no standard methodology for developing rates or adjusting rates yearly.

This section focuses on Medicaid reimbursed services that fall under Rule 140.

## **Reimbursement Rate Data**

Medicaid reimbursed community mental health service rates increased in FY2018 and FY2019 but the increase did not fully compensate for the amount of rate value lost since FY2008. For FY2020, community-based mental health services were increased by 2.5%. They had received no changes in reimbursement rates since FY2008.<sup>43</sup>

**Table 11** presents the services with rates data available as of FY2008. Although rates were raised starting in FY2018, if FY2008 rates were to hold equal value in FY2021, they would need to increase by 12% to keep up with the cost of living.

**Table 12** presents community mental health service rates between FY2005 and FY2021.<sup>44</sup> These reimbursement rates received adjustments between July 2005 and January 2006,<sup>45</sup> additional small adjustments in July 2007, and some significant increases in FY2018 and FY2019, bringing some to parity with increases in the cost-of-living.

While some rates increased significantly, some actually decreased. Most Mental Health rates considered in this report were increased and some have now caught up with the cost of living. However, the majority remain below cost of living increases by 11% to over 20%.

## MENTAL HEALTH

Medicaid reimbursed mental health service rates increased in 2018 and 2019. The increase did not fully compensate for the amount of rate value lost since 2008.

90% of mental health services assessed would need rate increases of between 10-20% to align with current CPI.

## RATES SNAPSHOT

## Challenges with Current Rates

Practitioners in the mental health field report a number of challenges related to both the fee-for-service and Medicaid Managed Care reimbursement systems for mental health services.

***The rates do not cover costs.*** Illinois pays some of the lowest reimbursement rates in the country. Illinois ranked 41st out of the 50 states and Washington, D.C. in total Medicaid spending per enrollee as of 2018.<sup>46</sup> Providers indicate that the reimbursement rates are too low to enable them to meet needs, recruit and retain staff, develop staff, and improve programs. The rates set under Rule 140 do not cover non-direct service costs such as transportation and time spent accompanying clients to appointments, as well as front and back office expenses. Administrative costs associated with billing are also not covered by current rates. Since the start of the state's Medicaid Managed Care program in 2011, community behavioral health providers have seen a 2 to 5 fold increase in administrative costs.

In order to make up for uncovered costs and additional costs from minimum wage increases, providers must supplement government funding. However, options are limited since the law prohibits providers from subsidizing Medicaid rates with any government grant funding. The HFS established rate is the maximum allowable rate for each eligible service. Reimbursement of a Medicaid service by a public payer in any amount up to the maximum allowable rate published by HFS is considered payment in full and cannot be supplemented with other government funding in any way.<sup>47</sup> Furthermore, Medicaid does not cover several services. Traditional Medicaid fee-for-service does not cover all evidence-based services and supports that aid individuals in recovery. For example, Illinois' Medicaid program does not provide matching funds for housing and residential services and supports.

***The rates discourage program quality and growth.*** Ideally, reimbursement for services should enable service providers to offer quality, personalized services and to expand their programs when necessary, but the Mental Health reimbursement rates do not allow salary increases or account for program startup costs. A provider would need to apply for a grant to cover those expenses. Rules and low reimbursement rates force community organizations to do more with less, often resulting in truncated treatment and fewer personalized services, further prohibiting prevention efforts to address Mental Health needs before intensive services are needed.

While the Affordable Care Act and subsequent expansion of the Medicaid program expanded health coverage for low-income Illinoisans, the Mental Health reimbursement rates never increased. Because start-up costs for onboarding new employees are not factored into rates, providers cannot increase staff and grow programs to meet the growing needs of Illinois communities. Funding supports deinstitutionalization but fails to account for investment in fee-for-service or in helping low-income individuals obtain access to treatment.

***The rates are increased infrequently.*** The process for increasing rates is difficult, undertaken infrequently, and requires legislation. The last time Mental Health services received a real rate increase was in FY2006 and the rates, calculated based on salary and overhead costs, are now outdated.

***Requirements of service providers make it harder to do business with already limited resources.*** Reporting and billing requirements necessitate paperwork and staff time – for both fee-for-service billing directly to HFS as well as Medicaid managed care billing to Managed Care Organizations. For example, in order to provide Mental Health services in Illinois, providers must be accredited by national accrediting organizations such as the Joint Commission. Medicaid managed care has complicated the billing process, so there are now more costs associated with submitting bills. Prior to March 2021, providers were required to register all clients every six months and check each individual's financial status and Medicaid eligibility despite the fact that this step is already taken by Medicaid. This process alone required mental health providers to spend an average of 1,236 hours annually at a cost of \$30,074.<sup>48</sup> The process was modified in March 2021 to registering clients annually, however this still requires additional hours, incurs additional costs, and often creates duplicative reporting and assessments. The additional time and resources needed for compliance add an administrative burden while rates remain inadequate.

**Table 11. Reimbursement Rates for Hourly Community Mental Health Services, FY2008 and 2021**

SERVICE	SERVICE UNIT	RATE FY2008 - 12	RATE FY2021	% CHANGE IN RATE FY08-21	FY08 RATE ADJUSTED FOR 2021 DOLLARS	% INCREASE IN FY2021 RATE NEEDED FOR CPI
<b>COMMUNITY SUPPORT/INDIVIDUAL</b>						
RSA INDIVIDUAL ONSITE	HOURLY	\$54.72	\$59.04	7.9%	\$65.23	10.5%
MHP INDIVIDUAL ONSITE	HOURLY	\$66.60	\$71.84	7.9%	\$79.39	10.5%
QMHP INDIVIDUAL ONSITE	HOURLY	\$72.08	\$77.80	7.9%	\$85.92	10.4%
RSA INDIVIDUAL OFFSITE	HOURLY	\$63.48	\$68.52	7.9%	\$75.67	10.4%
IMHP INDIVIDUAL OFFSITE	HOURLY	\$77.24	\$83.36	7.9%	\$92.07	10.4%
QHMP INDIVIDUAL OFFSITE	HOURLY	\$83.60	\$90.20	7.9%	\$99.65	10.5%
RSA GROUP ONSITE	HOURLY	\$13.68	\$14.76	7.9%	\$16.31	10.5%
MHP GROUP ONSITE	HOURLY	\$16.64	\$17.96	7.9%	\$19.83	10.4%
QHMP GROUP ONSITE	HOURLY	\$24.04	\$25.86	7.6%	\$28.66	10.4%
RSA GROUP OFFSITE	HOURLY	\$15.88	\$17.12	7.8%	\$18.93	10.6%
IFSP MEETING	HOURLY	\$19.32	\$20.80	7.7%	\$23.03	10.7%
NURSING SERVICES ONSITE	HOURLY	\$27.88	\$30.08	7.9%	\$33.23	10.5%
<b>COMMUNITY SUPPORT TEAM</b>						
TEAM/INDIVIDUAL ONSITE	HOURLY	\$72.08	\$77.80	7.9%	\$85.92	10.4%
TEAM/INDIVIDUAL OFFSITE	HOURLY	\$83.60	\$90.20	7.9%	\$99.65	10.5%
<b>PSYCHOSOCIAL REHABILITATION</b>						
RSA INDIVIDUAL ONSITE	HOURLY	\$54.72	\$59.04	7.9%	\$65.23	10.5%
MHP INDIVIDUAL ONSITE	HOURLY	\$66.60	\$71.84	7.9%	\$79.39	10.5%
QHMP INDIVIDUAL ONSITE	HOURLY	\$72.08	\$77.80	7.9%	\$85.92	10.4%
RSA GROUP ONSITE	HOURLY	\$13.68	\$14.76	7.9%	\$16.31	10.5%
MHP GROUP ONSITE	HOURLY	\$16.64	\$17.96	7.9%	\$19.83	10.4%
NUTRITION SERVICES OFFSITE	HOURLY	\$24.04	\$25.96	8.0%	\$28.66	10.4%

Sources: Illinois Department of Healthcare and Family Services, Fee Schedule for Providers of Community-Based Behavioral Health Services, Effective: 7/1/2020; Illinois Department of Healthcare and Family Services, Community Mental Health Service Definition and Reimbursement Guide, July 1, 2007

**Table 12. Reimbursement Rates for Hourly Community Mental Health Services, FY2005 and FY2021**

SERVICE	SERVICE UNIT	RATE FY2005	RATE FY2021	% CHANGE IN RATE FY08-21	FY05 RATE ADJUSTED FOR 2021 DOLLARS	% INCREASE IN FY2021 RATE NEEDED FOR CPI
<b>MENTAL HEALTH ASSESSMENT</b>						
MHP INDIVIDUAL ONSITE	HOURLY	\$62.92	\$71.84	14.2%	\$82.05	14.2%
MHP INDIVIDUAL OFFSITE	HOURLY	\$69.80	\$83.36	19.4%	\$91.02	9.2%
QMHP INDIVIDUAL ONSITE	HOURLY	\$76.16	\$77.80	2.2%	\$99.31	27.7%
QHMP INDIVIDUAL OFFSITE	HOURLY	\$84.60	\$90.20	6.6%	\$110.32	22.3
<b>PSYCHOLOGICAL EVALUATION</b>						
LCP INDIVIDUAL ONSITE	HOURLY	\$92.20	\$104.08	12.9%	\$120.23	15.5%
LCP INDIVIDUAL OFFSITE	HOURLY	\$102.40	\$120.76	17.9%	\$133.53	10.6%
MCP INDIVIDUAL ONSITE	HOURLY	\$76.16	\$77.80	2.2%	\$99.31	27.7%
MCP INDIVIDUAL OFFSITE	HOURLY	\$84.60	\$90.20	6.6%	\$110.32	22.3%
<b>PSYCHOTROPIC MEDICATION ADMINISTRATION</b>						
LPN INDIVIDUAL ONSITE	HOURLY	\$38.40	\$44.08	12.5%	\$48.12	9.2%
LPN INDIVIDUAL OFFSITE	HOURLY	\$42.60	\$51.12	17.7%	\$53.38	4.4%
APN INDIVIDUAL ONSITE	HOURLY	\$41.80	\$53.08	24.5%	\$52.38	0%
APN INDIVIDUAL OFFSITE	HOURLY	\$46.40	\$61.60	30.2%	\$58.14	0%
<b>PSYCHOTROPIC MEDICATION MONITORING</b>						
NON-APN/MD INDIVIDUAL ONSITE	HOURLY	\$81.80	\$86.40	5.6%	\$106.67	23.5%
NON-APN/MD INDIVIDUAL OFFSITE	HOURLY	\$81.80	\$86.40	5.6%	\$106.67	23.5%
APN INDIVIDUAL ONSITE	HOURLY	\$89.20	\$104.08	16.7%	\$116.32	11.8%
APN INDIVIDUAL OFFSITE	HOURLY	\$89.20	\$104.08	16.7%	\$116.32	11.8%
MD INDIVIDUAL ONSITE	HOURLY	\$97.80	\$105.48	7.9%	\$127.53	20.9%
MD INDIVIDUAL OFFSITE	HOURLY	\$97.80	\$105.48	7.9%	\$127.53	20.9%

Sources: Illinois Department of Healthcare and Family Services, Fee Schedule for Providers of Community-Based Behavioral Health Services, Effective: 7/1/2020; Illinois Department of Healthcare and Family Services, Community Mental Health Service Definition and Reimbursement Guide, July 1, 2007; Screening Assessment and Support Services Program Service Definition and Activity Crosswalk, July 2005 and January 2006

(Table 12. Reimbursement Rates for Hourly Community Mental Health Services, FY2005 and FY2021 cont...)

SERVICE	SERVICE UNIT	RATE FY2005	RATE FY2021	% CHANGE IN RATE FY08-21	FY05 RATE ADJUSTED FOR 2021 DOLLARS	% INCREASE IN FY2021 RATE NEEDED FOR CPI
PSYCHOTROPIC MEDICATION TRAINING						
MHP INDIVIDUAL ONSITE	HOURLY	\$59.08	\$71.84	21.6%	\$77.04	7.2%
APN INDIVIDUAL ONSITE	HOURLY	\$64.36	\$104.08	61.7%	\$83.93	0%
MHP INDIVIDUAL OFFSITE	HOURLY	\$65.52	\$83.36	27.2%	\$85.44	2.5%
APN INDIVIDUAL OFFSITE	HOURLY	\$71.40	\$120.86	69.1%	\$93.11	0%
MHP GROUP ONSITE	HOURLY	\$25.56	\$23.96	-6.3%	\$33.33	39.1%
APN GROUP ONSITE	HOURLY	\$27.84	\$34.72	24.9%	\$36.25	4.4%
MHP GROUP OFFSITE	HOURLY	\$28.40	\$27.84	-2.0%	\$37.03	33.0%
APN GROUP OFFSITE	HOURLY	\$30.96	\$40.28	30.1%	\$40.37	0.2%
CASE MANAGEMENT - CLIENT CENTERED CONSULTATION						
RSA INDIVIDUAL ONSITE	HOURLY	\$54.72	\$59.04	7.9%	\$71.35	20.9%
RSA INDIVIDUAL OFFSITE	HOURLY	\$60.68	\$68.52	12.9%	\$79.13	15.5%
MHP INDIVIDUAL ONSITE	HOURLY	\$62.92	\$71.84	14.2%	\$82.05	14.2%
MHP INDIVIDUAL OFFSITE	HOURLY	\$69.80	\$83.36	19.4%	\$91.02	9.2%
CASE MANAGEMENT - MENTAL HEALTH						
RSA INDIVIDUAL ONSITE	HOURLY	\$54.72	\$59.04	7.9%	\$71.35	20.9%
RSA INDIVIDUAL OFFSITE	HOURLY	\$60.68	\$68.52	12.9%	\$79.13	15.5%
MHP INDIVIDUAL ONSITE	HOURLY	\$62.92	\$71.84	14.2%	\$82.05	14.2%
MHP INDIVIDUAL OFFSITE	HOURLY	\$69.80	\$83.36	19.4%	\$91.02	9.2%
NUTRITION						
MHP INDIVIDUAL ONSITE	HOURLY	\$62.92	\$71.84	14.2%	\$82.05	14.2%
MHP INDIVIDUAL OFFSITE	HOURLY	\$69.80	\$83.36	19.4%	\$91.02	9.2%
QMHP INDIVIDUAL ONSITE	HOURLY	\$71.52	\$77.80	8.8%	\$93.26	19.9%
QMHP INDIVIDUAL OFFSITE	HOURLY	\$79.44	\$90.20	13.5%	\$103.59	14.8%

**(Table 12. Reimbursement Rates for Hourly Community Mental Health Services, FY2005 and FY2021 cont...)**

SERVICE	SERVICE UNIT	RATE FY2004	RATE FY2021	% CHANGE IN RATE FY04-21	FY04 RATE ADJUSTED FOR 2021 DOLLARS	% INCREASE IN FY2021 RATE NEEDED FOR CPI
<b>THERAPY/COUNSELING</b>						
MHP INDIVIDUAL ONSITE	HOURLY	\$62.92	\$71.84	14.2%	\$82.05	14.2%
MHP FAMILY ONSITE	HOURLY	\$62.92	\$71.84	14.2%	\$82.05	14.2%
MHP GROUP ONSITE	HOURLY	\$15.72	\$17.96	14.2%	\$20.50	14.1%
MHP INDIVIDUAL OFFSITE	HOURLY	\$69.80	\$83.36	19.4%	\$91.02	9.2%
MHP FAMILY OFFSITE	HOURLY	\$69.80	\$83.36	19.4%	\$91.02	9.2%
IMHP GROUP OFFSITE	HOURLY	\$17.48	\$20.80	19.0%	\$22.79	9.6%
QMHP INDIVIDUAL ONSITE	HOURLY	\$71.52	\$77.80	8.8%	\$93.26	19.9%
QMHP FAMILY ONSITE	HOURLY	\$71.52	\$77.80	8.8%	\$93.26	19.9%
QMHP GROUP ONSITE	HOURLY	\$25.56	\$25.96	1.6%	\$33.33	28.4%
QMHP INDIVIDUAL OFFSITE	HOURLY	\$79.44	\$90.20	13.5%	\$103.59	14.8%
QMHP FAMILY OFFSITE	HOURLY	\$79.44	\$90.20	13.5%	\$103.59	14.8%
QMHP GROUP OFFSITE	HOURLY	\$28.40	\$29.64	5.9%	\$37.03	23.1%
<b>TREATMENT PLAN DEVELOPMENT, REVIEW &amp; MODIFICATION</b>						
MHP INDIVIDUAL ONSITE	HOURLY	\$62.92	\$71.84	14.2%	\$82.05	14.2%
MHP INDIVIDUAL OFFSITE	HOURLY	\$69.80	\$83.36	19.4%	\$91.02	9.2%
QMHP INDIVIDUAL ONSITE	HOURLY	\$76.30	\$77.80	1.3%	\$100.15	28.7%
QMHP INDIVIDUAL OFFSITE	HOURLY	\$85.28	\$90.20	5.8%	\$111.21	23.3%
<b>CRISIS INTERVENTION</b>						
MHP INDIVIDUAL ONSITE	HOURLY	\$115.24	\$129.32	12.2%	\$150.27	16.2%
MHP INDIVIDUAL OFFSITE	HOURLY	\$127.88	\$150.08	17.4%	\$166.67	11.1%

43 Deduction made based on a comparison of data available for this report from the Illinois Department of Healthcare and Family Services Community Mental Health Service Definition and Reimbursement Guide from July 1, 2007 and September 11, 2014; Screening Assessment and Support Services Program Service Definition and Activity Crosswalk from July 2005 and January 2006. Fee Schedule for Providers of Community-Based Behavioral Health Services, Effective: 7/1/2020

44 Rates were requested from HFS dating to FY2000, but FY2005 data was the earliest information available.

45 Community Mental Health Service Definition and Reimbursement Guide, July 1, 2007; Screening Assessment and Support Services Program Service Definition and Activity Crosswalk, July 2005 and January 2006.

46 Medicaid Per Capita Expenditures. (2018). Centers for Medicare & Medicaid Services.

<https://www.medicare.gov/state-overviews/scorecard/how-much-states-spend-per-medicare-enrollee/index.html>

47 Illinois Department of Healthcare and Family Services. (2014, September 11). Community Mental Health Services Definition and Reimbursement Guide. Retrieved from:

<http://www.hfs.illinois.gov/assets/cmhs.pdf>

48 2015 Survey of mental health service providers conducted by the Illinois Association of Rehabilitation Facilities.

# Conclusions

Illinois human service providers are at the heart of community well-being. The sector needs continuous investment from Springfield to serve our most valuable resource—Illinois residents. Providers across the spectrum of community human services are faced with challenges to adequately compensate and retain staff, while competing with government facilities and the private sector for employees. Inadequate rates make it difficult for nonprofit community employers to be competitive as resources for merit pay increases and annual raises are severely limited. The impact of this chronic underfunding extends beyond the organizations and into communities, where Illinoisans are unable to access the services they need to reach their full potential.

Rate increases are a low legislative priority in Illinois, and until recently the portion of funding allotted to human services has steadily declined for decades. The state is in the midst of a fiscal crisis, exacerbated by the pandemic and the failure to pass the graduated income tax. Unfunded pension debt, insufficient budgets for many human services, extraordinary costs of the pandemic, and a track record of late payments to providers are all contributing factors to the state and the sector's financial woes, challenges further magnified by a mandatory minimum wage increase.

This lack of investment in the sector directly affects the human service professionals who are dedicated to improving the quality of life of their clients. Evidence suggests that human service workers are not highly paid and many live in poverty throughout the state perpetuating inequities and racial injustice.

The updated data presented in this report clearly demonstrate that most current reimbursement rates are still far from adequate and many are inconsistent within and across programs. Even rate increases made over the last two years are not enough to address the rising cost of living. Many fields lack an established rate setting methodology, leaving levels to be determined arbitrarily. A clearly defined methodology would improve funding models by allowing for systematic increases based on market costs and other relevant economic indicators. ***The solution is abundantly clear: the State must conduct comprehensive and responsive assessments of how each service is funded to determine a path to sufficient reimbursement rates that ensure the sustainability of the human services sector.*** Service-specific surveys and studies will help identify the true costs of service provision and should be expanded to reflect new costs that are added over time, such as additional services that are required by the state, the requirement for using electronic data systems, and the need for cyber security insurance. Beyond that, the state has a duty to use these studies to update and standardize rate setting methodologies throughout the sector.

***Human services matter.*** Taking care of Illinoisans means supporting the organizations that care for our communities — the human service providers operating in every region of the state. Failure to create a reimbursement rate system that sustains the sector will lead to long-term consequences that, over time, will become more difficult to rectify. Service reductions, decreased provider capacity, insufficient staffing levels, and fewer provider options are among the potential repercussions. Harder to quantify, but equally important, is the impact on the lives of the individuals who work to provide services and those who seek these services for essential supports. Substandard rates undermine their well-being and the collective health of our communities. We must better understand the true cost of doing business as well as the real-life ramifications of underfunding to compel decision makers to create funding models that quantify actual costs. Only then will we have a base funding model that truly and accurately reflects the value we place on human services in equitably achieving well-being for all Illinoisans.



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