

Economic Sense - Twenty-Sixth Edition

Take Care of Our Most Vulnerable First

*Prioritize services to put disabled
and elderly Washington residents first in line*

Bottom line up front:

An opportunity to *truly* put people first.

If you could end the waitlist for people with developmental disabilities to receive services...and double the number of low-income seniors receiving home-delivered meals...and eliminate the sales tax on wheelchairs and walkers, all without costing taxpayers more money or reducing services for anyone -- would you?

That's the choice offered by [Senate Bill 6658](#).

People who are disadvantaged in one way or another, and their advocates, look to state government for assistance through what is broadly referred to as the “social safety net.”

By definition, a net has limited capacity -- and that capacity is used most efficiently when priorities are set and followed. It's sensible to propose that

people with developmental disabilities should have top priority within Washington's social safety net. Elderly persons whose limited financial means lead them to experience food insecurity, or difficulty in affording mobility-enhancing equipment, deserve to be near the front of the line.

It is also sensible to propose a straightforward change that would make for more cost-effective administration of an important safety-net function and, just as important, free up tens of millions of dollars that can be redirected toward these priorities.

Here's what SB 6658 would do:

Part I: Eliminate (again) **the Developmental Disabilities Waitlist**

Not so long ago it seemed the demand for services for developmentally disabled people in Washington would always exceed the supply. Families with a developmentally disabled loved one who needed (and qualified for) services had no choice but to go on a waitlist. Then spending priorities changed for the better, and in 2014 the Legislature passed the VIP Act (SB 6387).¹ It was explicitly intended to eliminate the waitlist, by providing slots for more than 5,000 individuals, and in just three years that goal was reached.²

In spite of huge increases in state spending, the funding of slots for developmentally disabled people has not kept pace, and a backlog has returned. A news report in late 2019 described how nearly 300 families/individuals had found themselves on a waitlist after requesting (and

being qualified for) an Individual & Family Services Waiver or a Basic Plus Waiver slot.³

Because the waitlist is not tied to a budget forecast, the lack of funding is not apparent to the public. SB 6658 would fix that, and recommit the Legislature to uphold the intent of the VIP Act, by:

- Requiring that the Individual & Family Services and Basic Plus Waivers become the subject of a new forecast prepared by the state's Caseload Forecast Council; and
- Making this forecast part of the maintenance-level operating budget.

This would serve to eliminate the waitlist now and into the future by allowing every qualified individual to be served via the waiver. Legislative budget writers would still have the ability to deviate from the maintenance-level projection and decide against providing all the necessary funding, but such a move would show up as an embarrassing and indefensible policy cut -- an affront to people whose place in the safety net should be unquestioned.

Part II: Reclaim Administrative Oversight of Individual Providers

An “individual provider” (IP) is someone who is qualified and paid by the state to provide in-home care to another person who is eligible for Medicaid in-home care services. Oversight of IPs was a responsibility of the Department of Social and Health Services until 2018. That's when the

Legislature approved Senate Bill 6199, which shifted the oversight of IPs away from DSHS to an outside contractor. The change was made not to improve the oversight function but instead to avoid the ramifications of the U.S. Supreme Court's Harris v. Quinn ruling, which granted IPs the option to opt out of labor-union representation and dues. ⁴

Before SB 6199, the oversight provided by DSHS cost \$10 million annually. Contracting out the oversight has quadrupled the cost, judging from Governor Inslee's 2020 supplemental operating budget: it proposes a cost of \$40 million for the same function. ⁵

SB 6658 would repeal those costly provisions of SB 6199, returning administrative oversight of IPs to DSHS.

Part III: Expand Home Delivery of Meals to Seniors

Home-delivered meals are important for low-income elderly people who have difficulty preparing their own meals or leaving their home. The deliveries also provide opportunities to check on the well-being of the meal recipients. SB 6658 would double what is now a \$7.1 million state appropriation and make the service available to 12,000 more low-income seniors.

Part IV: Provide Sales & Use Tax Exemption for Mobility-Enhancing Equipment

Washington collects tax on the purchase of wheelchairs and walkers. SB 6658 would exempt such mobility-enhancing equipment from sales and use tax. The savings to disabled and seniors per biennia (and corresponding reduction in state revenue) is projected at \$25 million. ⁶

Conclusion

Despite authorizing a massive increase in the state operating budget (\$8.3 billion more in the 2019-21 operating budget, compared to 2017-19) lawmakers failed to prioritize spending in favor of Washington's developmentally disabled residents and low-income senior citizens.

The Legislature should set things right by approving SB 6658, which would invest in important safety-net services and allow modest tax relief, while repurposing taxpayer dollars that are now being spent inefficiently.

Footnotes

1. SSB 6387 (2014)
<http://lawfiles/biennium/2013-14/Pdf/Bills/Session%20Laws/Senate/6387-S.SL.pdf?q=20200130092519>
2. Senate W&M Staff, June 2017 email notice that waitlist had been eliminated
3. “Families Face Stress and Hardship as Services for the Developmentally Disabled are Capped” (Sept. 25, 2019)
<https://www.nwnewsnetwork.org/post/families-face-stress-and-hardship-services-developmentally-disabled-are-capped>
4. Harris vs. Quinn (U.S. Supreme Court, 2014) -
https://www.supremecourt.gov/opinions/13pdf/11-681_j426.pdf
5. Senate Ways & Means Staff - See below – Ongoing full costs (\$10 M state current vs. \$40 M state Inslee 2020 supplemental reflected in FY 2022 & 23)

CONSUMER DIRECT EMPLOYER - COST COMPARISONS					
<i>(\$ in thousands)</i>	General Fund-State				
	FY 2020	FY 2021	FY 2022	FY 2023	Four Year
Current Structure (DSHS as Employer)	\$0	\$9,891	\$9,891	\$9,891	\$29,673
SB 6199 fiscal note	\$0	\$10,670	\$10,670	\$10,670	\$32,010
2020 Supplemental - Gov Proposal	\$371	\$19,528	\$39,375	\$39,543	\$98,816

6. Dept of Revenue, 1/17/20 estimate