



Pennsylvania Advocates and Resources  
for Autism and Intellectual Disabilities



September 25, 2024

The Honorable Josh Shapiro  
Governor of the Commonwealth of Pennsylvania  
Room 225 Main Capitol Building  
Harrisburg, PA 17120

Dear Governor Shapiro:

We thank you for recognizing and addressing the tremendous strain on individuals, families and service providers across the intellectual disability and autism (ID/A) community through your decisive leadership and action. Your proposed budget for the current fiscal year represented a historic investment coupled with the ambitious goals of the Commonwealth's multi-year growth strategy to address many longstanding issues affecting the ID/A community.

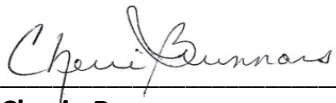
We write to you again this year to request restoration of the \$93 million reduction to your proposed budget lost during final budget negotiations this year, and to include this amount of \$93 million state dollars in your proposed Executive Budget Proposal for State Fiscal Year (SFY) 2025-26. As you know the originally proposed investment was based on the independent review of fee schedule rates that you ordered on September 8, 2023. The resulting actuarial analysis recommended increased reimbursement rates for all ID/A services, which were later published as proposed fee schedule rates in the Pennsylvania Bulletin on April 20, 2024. As you also know these rates were subsequently reduced to address the \$93 million shortfall in the final enacted budget for SFY 2024-25. This adversely affected not only fee schedule rates but also the provider incentives that had been published to address quality and capacity for the most complex people served by our community system.

The restoration of these funds is urgently needed to address remaining unmet critical needs and to permit our provider system to build the workforce and capacity that are essential to the reliability and sustainability of our community system. This investment will also support the specific targets and measures identified in the state's multi-year growth strategy for the ID/A community. \$93 million in state funds will generate an additional \$113 million in federal dollars at Pennsylvania's current Federal Medical Assistance Percentage (FMAP), resulting in \$206 million in total community ID/A funding. This will restore the originally proposed investment in Direct Support Professional wages and enable the increased waiver capacity needed to address the ID/A waiting list. We also ask for your continued commitment to eliminate the emergency waiting list for adults by retaining an equivalent number of new individual waivers in the budget for SFY 2025-26.

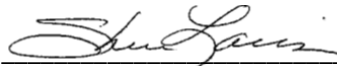
Additionally, we support the recent change in rate-setting methodology published in the Pennsylvania Bulletin on August 31 stating that fees “were established by applying an inflationary adjustment factor.” Therefore, we request your consideration to include a 3% inflationary adjustment factor in your SFY 2025-26 proposed budget. Annual inflation in 2023 was 3.4% and in the current calendar year through August 2024 inflation has increased another 2.6%. No system of care can plan effectively or achieve sustainability without a reliable and predictable rate-setting methodology that keeps pace with inflation, particularly a system that promises care and support throughout a person’s lifetime. Annual adjustments cost no more in the long run, arguably cost less, and reduce the damage to lives and the erosion of needed services that inevitably occur during extended periods with no inflationary adjustment to rates. Underfunding at any point in time undermines confidence in our system, and more importantly, reduces and sometimes eliminates the services people need and are entitled to receive. Bold changes are needed in the way service rates are updated so that our system can always meet its duty of care. We applaud the new rate-setting methodology published and know that if adopted annually it will produce lasting long-term results.

Thank you for your consideration and we look forward to your response. We would welcome the opportunity to meet with you to further discuss these issues should you have any questions or need any further information at this time.

Sincerely,



**Cherie Brummans**  
Executive Director  
The Alliance CSP



**Sherri Landis**  
Executive Director  
The Arc of Pennsylvania



**Diane Conway**  
CEO  
MAX Association



**Mark Davis**  
President & CEO  
PAR



**Patrick DeMico**  
Executive Director  
The Provider Alliance



**Richard S. Edley, Ph.D.**  
President and CEO  
RCPA

cc: The Honorable Valerie Arkoosh, Secretary, Department of Human Services  
The Honorable Akbar Hossain, Secretary of Policy and Planning  
The Honorable Uri Monson, Secretary of the Budget  
Dana Fritz, Chief of Staff  
Lindsey Mauldin, Deputy Chief of Staff  
Kristin Ahrens, Deputy Secretary, Office of Developmental Programs