

RATES PAID TO PROVIDERS

Some state government agencies contract with private entities to provide services for the individuals served by the agency in exchange for a service rate payment to the provider. Examples of such services and the agencies associated with the services are:

- Department of Corrections:
 - Pre-release and transitional living supervision
 - Alcohol, drug, sexual offender, driving under the influence, and methamphetamine treatment
- State Office of Public Defender
 - Contract attorney hourly rate
- Department of Public Health and Human Services
 - Medicaid service providers such as hospitals and physicians
 - Vocational rehabilitation service providers
 - Childcare providers
 - Foster care families

The rates paid to the above providers have remained static for several years, yet the costs to provide the services have continued to rise. The exception to the provider rate stagnation is that 1% increases were funded for fiscal years 2010 and 2011 for pre-release and treatment providers of the Department of Corrections and a 1% increase was funded for FY 2013 for pre-release providers. With stagnating provider rates and rising costs to provide services, the providers must cut costs or seek alternative funding to supplement state funds for services. Over the long-term the impacts of cost cutting may impact the quality and effectiveness of services received by those served.