

## Joint Committee on Finance 2019-2021 Budget Motion Request

### IRIS Direct Care Funding – No paper developed

#### Support:

**Provide Equitable Funding** for increased wages for direct care workers supporting participants in the long-term care program IRIS. **\$6.4 million over the biennium.**

#### Summary:

- In the last biennial budget, the Wisconsin legislature included \$60.8 million to fund increases for the Family Care direct care portion of managed long-term care capitation rates. This increase only applied only to a subset of workers in Family Care. A similar recognition of the need to correct for the increasing costs of labor and difficulty in recruiting and retaining direct care workers was not recognized in the IRIS program which supports approximately 22,000 people.
- Individual IRIS participant budgets are calculated using a formula similar to the Family Care capitation rate, derived from average service cost estimates. To achieve equity between Family Care and IRIS and to ensure that people who choose IRIS have the same funding support to recruit and retain high quality workers, there should be an equivalent IRIS Direct Care Funding Initiative coordinated by DHS and directed to participant's IRIS budgets to meet their direct care needs.
- The current budget bill recommends an increase for direct care worker wages in Family Care of \$29 million. The budget does not include a similar provision for IRIS (I Respect I Self-Direct) even though participants in the IRIS program also face caregiver shortages due to low wages. Currently, Family Care has 76,953 participants and IRIS has 22,519 participants. IRIS participants comprise 22% of all people accessing long term care in Wisconsin. The budget should include an equitable amount of funding for the IRIS program to be able to increase direct care workers wages. An equitable investment would be \$6.4 million dollars.
- DHS established a process in Family Care for managed care organizations and providers to request additional direct care workforce funds. DHS should be directed to establish a similar mechanism to disperse workforce funds through IRIS. Currently under Family Care, the managed care organizations can provide funding for wage increases, retention and/or longevity bonuses, performance bonuses, employee paid time off, staff referral bonuses, or sign on bonuses to direct care workers, or that part of the funding was used to pay for employer payroll tax increases that resulted from the increased payments to direct care workers. IRIS participants should be able to offer similar incentives to their direct care workers.

**Fiscal Impact: \$6.4 million dollars over the biennium**

#### Supporters:

The Arc Wisconsin  
The Arc Dane County  
The Arc of Dunn County  
The Arc Greater Columbia County  
Richland County Arc  
The Arc of Southwestern Wisconsin