

INARF 2017 Legislative Agenda

Messaging and Talking Points

INARF 2017 Budget Request:

- Our goal is to raise the average Direct Support Professional (DSP) wage for certain DSP provided waiver services from a statewide average of \$10.15 to **\$11.00** by increasing the waiver rates to cover compensation.
- Due to geographic and market diversity, the average is comprised from areas that have a much lower wage, as well as a higher wage.
- **The total appropriation request is \$10 million per year or \$20 million over the biennium.**
- **The Indiana University Institute on Public Policy completed an economic impact study on the proposed DSP wage increase and concluded the \$10 million investment by the State of Indiana would leverage \$34.9 million of new economic impact to Indiana's economy.**
- INARF's proposed budget language requests a 5% rate increase for waiver rates of services provided by DSPs. Of that 5%, a provider would be responsible for passing along 75% of the increase in the form of wages to DSPs, and the remaining 25% would be used towards employer payroll taxes.
 - For example, if a waiver service reimbursement rate is \$20.00/hour as of June 30, 2016, beginning July 1, 2017 the 5% increase would change that rate to \$21.00/hour. Of the \$1.00 increase, providers would pass through \$.75 to DSP wages and \$.25 would be applied to the coverage of employer payroll taxes. That \$21.00/hour rate would remain in place in perpetuity.

Background on the issue:

- Fast food and retail employees are making more per hour than people providing life-sustaining services. For example, beginning February 2016, Walmart's average wage was \$13.38 for full-time workers and \$10.58 per hour for part-time workers. In addition, Walmart's minimum wage is \$10.00 per hour.
- Wages are trailing other health care workers.
- The growth of the system has been unparalleled over the last three years and the increase in the number of people receiving waiver services has created additional stress on the staffing crisis.

Talking Points to Emphasize:

- **INARF's request is already in the budget as it passed out of the House. We are asking the Senate to keep our request in the budget.**
- High quality staff must be able to be recruited and retained in order to ensure the health and safety of the individuals being served.
- Direct Support Professionals' job are more complex than Home Health Aides, and their responsibilities include things like passing medications, which Home Health Aides cannot do by regulation, however, the reimbursement rate and average wage are higher for Home Health Aides.
- We are the only provider group with no private pay element and rely solely on Medicaid.
- The 2015 restoration of rates brought the industry back to 2010 levels. Much of this restoration has been passed through to DSPs, and the average DSP wage has risen from \$9.69 an hour to \$10.15 an hour.
- Indiana is only responsible for .33 of every dollar needed for the targeted DSP wage increase.
- The wage increases allow providers to help lift people out of poverty.