



## COMMUNITY DIRECT SERVICE WORKERS CAN'T WAIT

Low wages and eroding benefits discourage good workers from staying in community direct service work. Local agencies can't offer competitive wages and benefits because our community support system is under-funded. Yet costs continue to rise. Workers leave because their employers can't support direct service work as a long-term commitment. People with disabilities who rely on community support are denied familiarity, continuity and predictability in their relationships with direct service workers.

### ISSUE:

The source of this crisis is the under-funded community support system. Daily rates for CIP 1A and CIP 1B Medicaid waiver programs have been virtually frozen since 1994. The cost of supporting an average Medicaid waiver plan exceeds the amount available in the daily rate. For example, the CIP 1B **rate** of \$49.67 per day does not cover the \$112 average daily **cost** of implementing **state-funded** CIP 1B plans. In sharp contrast to this trend, the daily rates for nursing homes and institutions increased every year during that time period. For example, the DD Center daily rate rose 71 percent between 1994 and 2001.

The consequences of the frozen funding in the Medicaid waiver rates are two-fold.

- First, counties are at their fiscal limits in trying to absorb spiraling costs at a time of frozen funding. They have had to subsidize the daily rate for state-funded CIP 1A and CIP 1B slots with local revenues. In 2000, counties spent \$20.2 million to supplement state-funded CIP 1A and CIP 1B daily rates. If this trend continues, counties will spend \$39.3 million on these in 2005.
- Second, even though the counties have supplemented the rates in an effort to keep up with inflation, it has not, in the majority of counties, been sufficient to ensure that direct care workers are paid wages and benefits sufficient to ensure a stable workforce.

### GOAL:

- People with disabilities live safe and productive lives supported by direct service workers whose pay and benefits enable workers to make a long term commitment to direct service work and to the people who rely on their support.
- Counties and provider agencies have the funding needed to adequately support the safety and productivity of people with disabilities who rely on long term support.

## 2003 – 05 ACTION PRIORITIES:

1. ***Provide \$30 million over the biennium so CIP rates more closely match actual daily costs.*** Provide \$10 million in the first year of the biennium and \$20 million in the second to increase CIP rates as first steps toward making the state appropriately responsible for funding state-authorized Medicaid Waiver slots. Counties could redirect local revenues currently used to supplement state-funded CIP 1A and 1B placements to increase the daily rates paid for locally-matched CIP placements in order to address critical needs for wage and benefit increases throughout the community-based system.
2. ***Provide \$9.44 million over the biennium for a cost of living increase.*** A four percent annual cost of living increase in each year of the biennium should be added, based on rates that reflect the current ***actual*** daily costs of CIP 1A and CIP 1B.
3. ***Incorporate annual cost of living adjustments in future CIP rates.*** Provide a statutory change that would ensure Medicaid waiver rates would increase at rates at least equal to those determined by the Social Security Administration for cost of living increases for Social Security benefits. This would allow direct service worker wages to keep up with changes in the cost of living.
4. ***Mobilize health insurance reform.*** Provide statutory and regulatory changes that would make it easier for direct care agencies to provide affordable health insurance to their employees. Further, direct the Department of Health and Family Services in partnership with the Wisconsin Council on Developmental Disabilities to seek federal or private funding to develop models that would allow counties to include staff from direct care agencies in county health insurance pools.

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