

INARF Direct Support Professional Wage Increase Talking Points

Background on the Issue

Direct Support Professionals (DSPs) are people who help Hoosiers with disabilities achieve greater independence and high-quality lives by assisting with every day activities including personal care, medicine administration, employment, meal preparation, and leisure. In 2017, the Indiana General Assembly appropriated \$20 million over the biennium to increase DSP wages. The 2017 legislative appropriation increased the statewide average wage from \$10 to \$11.21 per hour. However, and providers still cannot recruit and retain staff. Our goal is to raise the average Direct Support Professional (DSP) wage to a statewide average of \$15 per hour. INARF supports Rep. Ed Clere's (New Albany) House Bill 1488, which includes a 15% rate increase for waiver services provided by DSPs. Of that 15%, a provider would be responsible for passing through 85% of the increase to DSPs in the form of compensation and benefits, and the remaining 15% can be used for employer administration and overhead costs. **INARF is requesting an appropriation of \$80 million over the biennium to increase DSP wages.**

Talking Points

- Medicaid is the sole source of funding for waiver services so wages are dictated by rates
- The 2017 legislative appropriation WORKED! It allowed us to increase the statewide average wage from \$10 to \$11.21 per hour
- However, the DSP turnover rate as of July 31, 2018 is still 48% and providers cannot recruit staff
- \$80 million in state Medicaid funds would receive a 66% federal match and would leverage an additional \$155,200,000 in federal dollars
- Additional funds would increase reimbursement rates for certain waiver services. 85% of the increased rates are required to be passed through to DSPs to attract and retain qualified workers.
- According to the IU Public Policy Institute, this investment would leverage \$135 million of economic impact to Indiana's economy
- Fast food and retail employees are making more per hour than DSPs providing life-sustaining services. For example, beginning February 2016, Walmart's average wage was \$13.38 for full-time workers.
- The typical DSP in Indiana is a single mom, age 35, with 2 kids
- High quality staff must be able to be recruited and retained in order to ensure the health and safety of the individuals being served
- Without DSPs, many individuals with disabilities would have to live without life-sustaining services that grow and enrich their lives. These Hoosiers deserve better.

Ask

Please support House Bill 1488 as introduced in the 2019 General Assembly session and an appropriation of \$80 million over the biennium to increase DSP compensation and ensure that Hoosiers with disabilities continue to receive the life-sustaining services they need.