



**The Case for a
Direct Support Professional
Wage Increase
Budget Bill - HB 1001**

REQUEST

The Arc of Indiana is requesting a 5 percent increase in Medicaid service rates for the Family Support Waiver and the Community Integration and Habilitation Waiver. 75 percent of the revenue received from the waiver service rate increase would be passed through to increase wages paid to direct support professionals (DSPs). This is a request for an investment in the budget of \$10 million each year of the biennium or \$20 million total.

BACKGROUND

People with intellectual and other developmental disabilities (I/DD) and their families rely on DSPs each and every day to provide the most personal and critical of care. Staff turnover causes stress and anxiety for individuals with disabilities as well as their families, and there is a negative impact on long term health when turnover is the norm.

Medicaid reimbursement rates were significantly decreased in 2010, leading to a shortage of qualified and trained workers. Although there was a slight bump in reimbursement rates in 2015, the crisis in attracting quality workers to provide care to people with I/DD and their families continues. Providers of these critical services continue to compete with fast food restaurants and retail chains who can offer their employees a higher hourly wage.

KEY FACTS

Despite the fact that DSPs perform complex tasks, including administering medications, wages for DSPs in the I/DD field continue to trail other health care workers.

A wage increase will help provide DSPs with wages that make them less reliant on social services themselves.

The citizens of Indiana need a high-quality workforce to provide critical care and supports that will maintain the health and safety of people with I/DD.

The Arc of Indiana is pleased to support the Economic Impact Study conducted by the Indiana University Public Policy Institute and commissioned by INARF. The study states:

- ✓ DSP annual wages are fractionally above the federal poverty level for a family of three and are only 33% of the median Indiana family income.
- ✓ A \$10 million investment by Indiana in DSP wages leverages an additional \$20 million of federal matching funds.
- ✓ The net new investment by Indiana in DSP wages returns \$4.16 of economic activity for each net new Indiana dollar invested.
- ✓ This investment increases wages by \$1,700 a year for DSPs who support some of our most vulnerable Hoosiers.

**The Arc of Indiana
317-977-2375 800-382-9100
www.arcind.org**