



May 17, 2015

To: Senator Alberta Darling and Representative John Nygren, Co-Chairs, and Members, Joint Finance Committee

From: Save IRIS

Subject: The Preservation of IRIS as a Separate Medicaid Waiver Program

We are encouraged by the announcement from Senator Darling, Senator Vukmir, Representative Nygren, and Representative Knudson that they will ask the Joint Finance Committee to remove proposed changes to long-term care from the budget and to preserve self-directed care. This announcement that (we believe) indicates an intent to remove language in the budget that would eliminate the IRIS program has provided some relief for its participants and their allies, but we fear that the announcement has also resulted in a false sense of security, as it does not specify the intent to preserve IRIS as a separate Medicaid waiver program. This leads Save IRIS to ask the question of JFC: **Will this plan assure that IRIS will continue as a unique and separate Medicaid waiver program or does the JFC anticipate that all long-term care programs will be under a managed care system?**

The elimination of IRIS in the proposed budget has caused great distress to the nearly 12,000 IRIS participants and thousands of their loved ones and support providers, since the Governor released his budget in February. Save IRIS formed to preserve IRIS in its entirety as a separate Medicaid waiver program because complete self-direction is impossible under managed care.

- Participants in the IRIS program have **full budget authority** which means they have free market control to make their own purchases within an identified budget amount. Within managed care a person is told only the amount that has been identified for a specific service that they choose to self-direct. Other than basic but comprehensive oversight, there is no paperwork bureaucracy that stands between a person and their purchases in their community.
- IRIS participants have the **flexibility** to self-direct all of their services within their authorized budget making it possible to shift funds from one type of long-term care service to another – as long as any purchase meets an identified need; a managed care model compartmentalizes each service which removes the participant's control and choice.
- **Free Market=Full Self-direction in IRIS.** IRIS participants have employment authority, so they are unrestricted to hire who they choose, given that the prospective employee passes a background check. The ability to directly hire a trusted friend, neighbor, family member, or provider agency leads to better care for the participant, provides employment to non-traditional workers, and is often more cost effective than using a traditional provider agency. **Managed care= a restricted market** in which the choice of providers is limited to those within the "provider network."
- **IRIS promotes personal responsibility and less bureaucracy** because IRIS participants manage their own authorized budget allocation for supports and services to meet the goals identified on their

approved plan, reducing the need for paid supports. In managed care these authorizations are made by the interdisciplinary team at the managed care organization, which can which can lead to unnecessary layers of bureaucracy and unneeded costs. All budgeted items are allotted for within an IRIS budget, with no allocation for bureaucracy since IRIS participants do their own case management.

Save IRIS wishes to thank Republican leadership for responding to the tremendous public outcry of IRIS participants, their families and their support providers to be at the table before decisions that directly affect their lives are made. Save IRIS views the requirement that directs DHS to include “public and stakeholder input before any changes are made” as critical to ensure that no changes will be made in haste that will place the health and safety of IRIS participants in jeopardy and potentially cost the state more money in the long run. We do not yet have the evidence, nor have had the stakeholder discussions, to declare that a separate Medicaid waiver self-directed program is unsustainable. In fact since its inception, IRIS spending has decreased, expensive institutional placements are down as cost-effective community supports are now in place, and 13% of the allocated IRIS budgets are not spent and are available to offset other Medicaid costs.

Save IRIS members look forward to participating in work groups that will define self-direction in statute, explore efficiencies in the current system, and address sustainability. On behalf of the nearly 12,000 IRIS participants, their families, and the thousands of people employed through IRIS, Save IRIS respectfully requests that the JFC include in the budget that IRIS be preserved as a separate Medicaid waiver program so that true self-direction can continue in Wisconsin.

Thank you for reviewing our questions and concerns.

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Cc: Members, Wisconsin Senate and Assembly