

## **Policy Title: Benefits Earning Disregard**

Allow an earnings disregard for Direct Support Professionals when determining eligibility for designated benefits and/or subsidies

### **Primary Contact and Members Who Worked on the Proposal:**

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### **Brief Description**

Direct Support Professionals (DSP's) are vital to the health and well-being of seniors and people with disabilities. DSP's face many challenges such as low wages and lack of benefits. While they are caring for others, many times DSP's do not receive benefits to cover their own basic needs. Lack of benefits cause a workforce shortage and high caregiver turnover. In addition, people needing care and provider agencies are faced with recruitment challenges.

An earning disregard would allow the DSP to work, gain income, and disregard a portion of this income when determining eligibility for BadgerCare benefits or the childcare subsidy.

### **Components of an income disregard would include:**

- Allow the DSP the ability to disregard a specified amount of earnings when applying for BadgerCare benefits
- Allow DSP the ability to disregard a specified amount of earnings when applying for Wisconsin Shares childcare subsidy program
- Specified amount is to be determined

### **Analysis**

- Increased recruitment and retention of DSP's
- DSP's would be willing/able to work more hours, knowing they will not hit the benefit cliff from accepting more hours or accepting a raise
- An earnings disregard provides the opportunity to work more hours without losing benefits, creating a bridge to economic self-sufficiency
- If families can find a bridge to economic self-sufficiency they will likely stay employed, increasing the pool of workers
- Provides health insurance for DSP's who provide critical services to Wisconsinites
- Incentive to work rather than a disincentive because the benefit cliff is not reached as soon
- Aim to mitigate or remove the benefit cliff effect on families receiving public assistance as they transition to self-sufficiency

**Potential funding options/cost savings/benefits**

- Greater continuity of care for people needing supports
- Keeping people in their homes versus higher cost alternatives
- If Wisconsin can offer health insurance to more DSP's, this serves as an investment to preserve the caregiving workforce

**What state agency or other entity would be responsible for implementing the proposal, if it were approved?**

DHS

**Feasibility/potential roadblocks or barriers**

- Increased costs to Wisconsin's BadgerCare program

**Cost estimates:**

- Unknown at this time