



STATE OF WISCONSIN
Division of Hearings and Appeals

In the Matter of

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

DECISION
Case #: CWA - 221163

PRELIMINARY RECITALS

Pursuant to a petition filed on December 15, 2025, under Wis. Admin. Code § HA 3.03, to review a decision by the Bureau of Long-Term Support regarding Medical Assistance (MA), a hearing was held on January 20, 2026, by telephone.

The issue for determination is whether the agency erred in denying an increase in IRIS budget to absorb a rate increase by [REDACTED], a supported employment vendor to petitioner.

There appeared at that time the following persons:

PARTIES IN INTEREST:

Petitioner:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Respondent:

Department of Health Services
201 E. Washington Ave.
Madison, WI 53703

By: P. Anderson

Bureau of Long-Term Support
PO Box 7851
Madison, WI 53707-7851

ADMINISTRATIVE LAW JUDGE:

John Tedesco
Division of Hearings and Appeals

FINDINGS OF FACT

1. Petitioner is a resident of St. Croix County.

2. Petitioner is enrolled in IRIS.
3. Petitioner's supports include supported employment services funded by his IRIS budget.
4. [REDACTED] is his selected vendor for the supported employment services.
5. Petitioner's current budget includes a total annual budget of \$57,165.21 for supportive home care, transportation, and supported employment.
6. Supported employment for petitioner began with [REDACTED] in 2018 at \$31 per hour.
7. The rate increased in 2022.
8. The rate increased in 2023.
9. The rate increased in 2024.
10. [REDACTED] increased the rate in 2025 by 8.1% which became effective in September 2025.
11. The IRIS agency agreed to increases in petitioner's IRIS budget to absorb all these increases.
12. In October 2025 [REDACTED] announce an increased rate by an additional 3% to \$41.16 per hour.
13. The IRIS agency provided notice that an additional increase in budget was denied.
14. Petitioner appealed.

DISCUSSION

The Include, Respect, I Self-Direct (IRIS) program is a Medical Assistance long term care waiver program that serves elderly individuals and adults with physical and developmental disabilities. IRIS is an alternative to Family Care, Partnership, and PACE—all of which are managed long term care waiver programs. The IRIS program, in contrast, is designed to allow participants to direct their own care and to hire and direct their own workers. The broad purpose of all of these programs, including IRIS, is to help participants design and implement home and community based services as an alternative to institutional care. See *IRIS Policy Manual §1.1B*.

The IRIS waiver application most recently approved by the Centers for Medicare and Medicaid Services (CMS) is available on-line at <https://www.dhs.wisconsin.gov/iris/hcbw.pdf>. See *Application for 1915(c) HCBS Waiver: WI.0484.R03.00 - Jan 01, 2021*. State policies governing administration of the IRIS program are included in the *IRIS Policy Manual* (available at <http://www.dhs.wisconsin.gov/publications/P0/P00708.pdf>), *IRIS Work Instructions* (available at <http://www.dhs.wisconsin.gov/publications/P0/P00708a.pdf>), and *IRIS Service Definition Manual* (available at <https://www.dhs.wisconsin.gov/publications/p00708b.pdf>).

Consistent with the terms of the approved waiver, every IRIS participant is assigned a budget which is generated based on information obtained during a screening of the participant's long-term care functional needs. Relevant program policy provides: "The individual budget is an estimate of the participant's expected needs and is based on information documented in the participant's Long-Term Care Functional Screen (LTC FS)." *IRIS Policy Manual*, §5.3.

In this case, the petitioner sought a budget amendment, (see *DHS IRIS Policy and Procedure: Additional Funding Requests P-03656* (Published 11/2024)), to absorb a newly increased hourly rate sought by the supported employment provider. TMG conferred with the Department which indicated that no further increases to [REDACTED] rate would result in increases to petitioner's budget. TMG denied the petitioner's request to seek the BA.

The agency denied the BA because it was unwilling to pay the once-again increased cost for the services offered by [REDACTED]. Apparently at the lower cost, however, the agency believed the cost was justified because that has been authorized. Thus, this is a denial based on the agency's position that the services are not cost-effective at the increased cost. The IRIS program need not pay whatever cost a vendor or provider seeks. That is, the vendor may elect to charge rates as it deemed necessary. But, the IRIS program is under no obligation to agree to pay whatever rates a vendor may charge. The member must

work within a budget which is not limitless. This may result in a member needing to find solutions such as other vendors, or other ways to satisfy desired outcomes.

IRIS is a public benefit funded by taxpayer dollars. A primary tenet of the program the services and items approved by the agency must be cost-effective. See *DHS IRIS Policy and Procedure: Additional Funding Requests* at Section A.1.a.iii. The direction to consider cost-effectiveness is stated several times in the *IRIS Policy Manual*. See *IRIS Policy Manual* at Sections 1.1A, 5.6A.4, 5.8E (“The DHS reviews submitted requests to ensure requests meet the IRIS participant’s stated need(s) in the most cost-effective manner”). The Wisconsin Administrative Code calls for all MA-related expenses be cost-effective. See Wis. Admin. Code at DHS 107.02(2)(b) and (3)(e). The federal regulation authorizing waiver expenses also requires that services and items be cost-effective. 42 C.F.R. §440.180(b)(9).

As noted above, a budget amendment is meant to pay for an ongoing need not met within the current budget. His budget includes funding for supported employment. Given that petitioner has experienced no change in his health or care needs, I cannot find that his needs are not met in the current budget. If [REDACTED] cannot provide the services under the budget then petitioner may need to find a different vendor or reallocate expenses under the budget. But, this expense is already part of the existing budget. [REDACTED] cannot simply raise rates to whatever they would like and expect that the IRIS program will pay whatever it believes it must charge. At some point, the cost becomes unjustified which is what has happened here.

It is a well-established principle that a moving party generally has the burden of proof, especially in administrative proceedings. *State v. Hanson*, 295 N.W.2d 209, 98 Wis. 2d 80 (Wis. App. 1980). The court in *Hanson* stated that the policy behind this principle is to assign the burden to the party seeking to change a present state of affairs. In this case, the burden is on the petitioner to demonstrate that the request should have been granted. Petitioner did not. Petitioner offered no documentary evidence. Petitioner failed to demonstrate that supported employment is even a necessary expense. The bulk of petitioner’s case was the testimony of the owner of [REDACTED] who explained that she has increasing expenses to keep her business going.

If [REDACTED] must charge a higher rate to stay viable as a business, that is fine and it is a business decision and is not an issue for hearing. The issue for hearing is whether the IRIS program must increase petitioner’s IRIS funds available to pay the increased amount. It need not. Petitioner has not established that the services are necessary in the first place. Even if they are necessary, the agency may choose to work with petitioner to find a different vendor/provider or, rather than supported employment, some other manner of meeting petitioner’s need other than simply paying whatever the vendor wants to charge.

CONCLUSIONS OF LAW

The agency did not err in its denial of a request for an increase in petitioner’s IRIS budget to absorb another rate increase by [REDACTED].

THEREFORE, it is

ORDERED

That this appeal is dismissed.

REQUEST FOR A REHEARING

You may request a rehearing if you think this decision is based on a serious mistake in the facts or the law or if you have found new evidence that would change the decision. Your request must be **received within 20 days after the date of this decision**. Late requests cannot be granted.

Send your request for rehearing in writing to the Division of Hearings and Appeals, 4822 Madison Yards Way, 5th Floor North, Madison, WI 53705-5400 **and** to those identified in this decision as "PARTIES IN INTEREST." Your rehearing request must explain what mistake the Administrative Law Judge made and why it is important or you must describe your new evidence and explain why you did not have it at your first hearing. If your request does not explain these things, it will be denied.

The process for requesting a rehearing may be found at Wis. Stat. § 227.49. A copy of the statutes may be found online or at your local library or courthouse.

APPEAL TO COURT

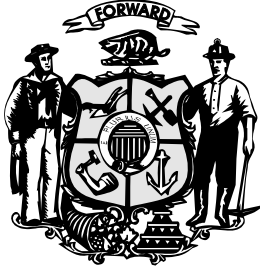
You may also appeal this decision to Circuit Court in the county where you live. Appeals must be filed with the Court **and** served either personally or by certified mail on the Secretary of the Department of Health Services, 201 E. Washington Ave., **and** on those identified in this decision as "PARTIES IN INTEREST" **no more than 30 days after the date of this decision** or 30 days after a denial of a timely rehearing (if you request one).

The process for Circuit Court Appeals may be found at Wis. Stat. §§ 227.52 and 227.53. A copy of the statutes may be found online or at your local library or courthouse.

Given under my hand at the City of Madison,
Wisconsin, this 19th day of March, 2026

\s _____

John Tedesco
Administrative Law Judge
Division of Hearings and Appeals



State of Wisconsin\DIVISION OF HEARINGS AND APPEALS

Brian Hayes, Administrator
5th Floor North
4822 Madison Yards Way
Madison, WI 53705-5400

Telephone: (608) 266-7709
FAX: (608) 264-9885
email: DHAmail@wisconsin.gov
Internet: <http://dha.state.wi.us>

The preceding decision was sent to the following parties on March 19, 2026.

Bureau of Long-Term Support