The Arc
Michigan

2026 Advocacy Priorities

Medicaid

Medicaid is a joint federal and state program that provides health insurance and access to long-term care to more than 2.6 million Michiganders, including:

- Around **37% of Michiganders with disabilities** under the age of 65
- Around **40% of Michigan children**
- More than **266,000 adults** receiving long-term supports and services

Congress **cut nearly $1 trillion from Medicaid** in 2025.

- Some 10 million people who need Medicaid for health care coverage could lose it because of these changes nationally.
- The federal Medicaid cuts will mean states have to make up the difference or make cuts.
- Medicaid pays for most home and community-based services (HCBS). But states are not required to help all people who are eligible for these services.
- When states face budget cuts, HCBS programs are often cut. That means longer waitlists, fewer hours of support, less money to pay direct support workforce, and more people could be pushed into nursing homes.
- Congress ended a program that helped people afford health insurance from the Affordable Care Act (ACA) marketplace and many people will pay more or will lose their health insurance.

The Arc Michigan is working with local Arc Chapters, the Arc U.S., and other state, and national organizations to:

- Encourage congress to repeal the Medicaid cuts and changes in HR 1 to restore funding.
- Make Medicaid home and community-based services (HCBS) required so it would be harder for states to cut them during budget shortfalls.
- Provide better ACA tax credits so people don’t lose heath care coverage.

Direct Care Workers (DCWs)

The Arc Michigan continues to facilitate the Direct Care Worker Wage **Coalition** consisting of 14 state-wide disability advocacy agencies and disability service provider organizations. DCW wages in Michigan's behavioral health system are funded through Medicaid and depend on the state's level of investment.

The Fiscal Year 2026 state budget maintains the existing $3.40 per hour increase from prior years. In addition, MDHHS has directed per the state minimum wage increases, that the current starting wage of a DCW must be at least $17.13 per hour in FY26 and $18.40 per hour starting 1/1/27. However, this mandate has not been funded the same as the prior $3.40 wage increases thus creating significant money flow and budgetary issues for CMHSPs as the majority have not yet received any rate increases to cover these higher wages.

We remain committed to advocating within the state legislature and MDHHS leadership on the importance of ensuring accurate direct care workforce investments, accountability and transparency to ensure the funding intended for DCWs is reaching the workers.

You can support this work by reviewing and sharing our FY27 DCW Wage Coalition Position Statement and discussing it with your state lawmakers. Your voice is essential in sharing real experiences of families, providers, and direct care workers during this workforce crisis.

- DCW Wage Coalition Position Statement: **https://www.dcwmichigan.org/our-position**
- Follow us on **Facebook** for updates and advocacy opportunities

In addition to facilitating the Wage Coalition, The Arc Michigan also actively participates in the State of Michigan's Direct Care Workforce Advisory Committee, Care Can't Wait Michigan and the Olmstead Coalition to advocate for and support DCWs.

Education

It is important that The Arc Michigan Education Committee is aware of and provides input when changes to Michigan Administrative Rules for Special Education (MARSE) or when Michigan or federal education legislation is proposed that impacts students with disabilities.

- The Education Committee discusses relevant education topics, including reviewing and studying Michigan Department of Education, Office of Special Education

guidance, proposed changes to the Michigan Administrative Rules for Special Education (MARSE), and proposed Michigan and federal education legislation. The committee provides public comment as appropriate. The committee develops and updates The Arc Michigan Position Statements related to education. Committee members share the above information with their organizations to further advocacy efforts. **https://arcmi.org/public-policy/education-committee/**

There is much concern about protecting the rights of individuals with disabilities who are protected under the Individuals with Disabilities Education Act (IDEA) and Section 504 of the Rehabilitation Act of 1973 given the current administration's priorities and actions that are being taken across the country impacting students with disabilities.

- The **Individuals with Disabilities Education Act (IDEA)** is the federal law that guarantees all eligible students with disabilities a free appropriate public education (FAPE) in the least restrictive environment (LRE). The IDEA protects the rights of students who receive special education and related services and their parents.

- The U.S. Department of Education (ED) provides funding to states to help them meet their obligations under the IDEA and issues regulations and guidance, so states understand how to follow IDEA provisions. ED provides oversight to ensure that IDEA is implemented consistently, and the rights of students and parents are protected in a consistent manner. The ED gathers data from states regarding compliance and result indicators and provide specialized technical assistance to states that need it to ensure that states are complying with IDEA requirements.

- The IDEA existed before the U.S. Department of Education was established. If the ED is eliminated, the IDEA remains in place as federal law, but there may be cuts in federal funding and a loss of federal oversight for compliance that could impact students receiving special education and related services who are entitled to a FAPE.

Section 504 of the Rehabilitation Act of 1973 is a federal law that prohibits discrimination against individuals with disabilities. Section 504 applies to employers and organizations that receive federal financial assistance, including hospitals, nursing homes, mental health centers, human services agencies, public school districts, institutions of higher education, and other state and local agencies.

- In education, Section 504 requires schools to provide reasonable accommodations, ensure equal access to educational opportunities, and provide a free appropriate public education (FAPE) for qualified students with disabilities.

- **Texas v. Kennedy (formerly Texas v. Becerra):** In a revised version of this lawsuit, Texas and eight other states have renewed their attack on Section 504 of the Rehabilitation Act and its integration mandate, arguing that these protections are unlawful and unconstitutional. The integration mandate - established under Section 504 and the Americans with Disabilities Act (ADA) – requires that people with disabilities have the right to receive services and participate in community settings. In education, this mandate supports educating students with disabilities in their local schools with appropriate supports, rather than segregating students in institutions or separate classrooms. The US Supreme Court upheld the integration mandate in the 1999 landmark **Olmstead** decision. If the states prevail in this lawsuit, it could significantly weaken the ability of individuals with disabilities to enforce their right to live, learn, and participate in their communities.

- While Michigan is not included in this lawsuit, if successful the Attorneys General action would invalidate student's rights to a Section 504 plan in school that ensures their FAPE and equal access to educational opportunities.

Person-Centered Planning, Self-Determination, Independent Facilitation

Inconsistency in access to, and implementation of, Person and Family-Centered Planning, Self-Directed Service Arrangements and Independent Facilitation must be addressed by MDHHS. The Arc supports a statewide effort aimed at improving current systems, as well as improving individual/family experiences for those served within the Public Behavioral Health System.

- The Arc Michigan **interviews** people with disabilities and family members about their experience with person-centered planning during the MDHHS site reviews to improve services at CMHSPs.

- We facilitate **Partners Advancing Self-Determination** which works to improve self-directed services policy on the state and local levels.

- Arc Michigan staff also maintain the Person-Centered Planning & Self-Determination **Help Desk** which answers questions people may have about self-directed services and person-centered planning.

- Arc Michigan staff participate in the MDHHS Independent Facilitation Workgroup, which is an effort to further use of Independent Facilitation across Michigan through policy change and training.

- Arc Michigan staff participate in the MDHHS Self-Determination Design Team, which is an effort to improve Self-Directed practices across programs under MDHHS.

- Additionally, the Arc Michigan helps to plan MDHHS' annual Self-Determination Conference.

Specialty Behavioral Health Services

In 2026 the Michigan Department of Health and Human Services (MDHHS) canceled their request for proposals to change how specialty behavioral services are delivered in Michigan. It is not clear if another attempt will be made at this time.

- The Arc Michigan is closely monitoring this and meeting regularly with MDHHS leadership.

Statewide Service Discrepancies

The state-funded behavioral health system **must eliminate statewide discrepancies in the availability of services and supports**. Where you live cannot determine the quality or scope of services and supports. Significant inequalities across the state are found in person-centered and family-driven/youth-guided planning, self-directed services and support, and criteria for priority service and CMHSP pre-admission screening determinations. Existing discrepancies must be eradicated for statewide equity and quality. Additionally, Michigan needs uniform training that is accepted statewide and uniform contracts and paperwork should also be implemented.

- The Arc Michigan participates in a Statewide Advocacy Group that is focused on this issue, and data and personal stories will continue to be reviewed.

- The Arc Michigan is monitoring developments at MDHHS (Michigan Department of Health and Human Services) and meets monthly with staff from Bureau of Specialty Behavioral Health Services and other department staff.

Supported Decision-Making

Far too often guardianship is granted in the courts of our state as a matter of course when no evidence of a need for guardianship has been presented or argued. **From recently collected court data, it appears that petitions for guardianship are granted almost 100% of the time.**

- The Arc Michigan will actively support legislation requiring a finding on the record of the necessity of guardianship before a guardian can be appointed and that the record shows the court has considered whether the individual's needs may be

met without the appointment of a guardian through other supports, services, and alternatives.

- To implement actions, and engage services, which are consistent with a person's wants and needs, a Guardian must meet regularly with their ward to ask, see for themselves, and establish what those wants and needs are.
  - ✓ The Arc Michigan will actively support legislation mandating regular meetings between guardians and their wards.
- People with Developmental Disabilities deserve equal treatment under the law. The current laws of the **Mental Health Code**, under which most guardianships for people with developmental disabilities fall, does not provide the same protections that people receive under **Estates and Protected Individuals Code** (EPIC).
  - ✓ We will advocate for parity between the laws of guardians EPIC and under the Mental Health Code.
  - ✓ In 2025 a set of bills were introduced **HB 4676** and **HB 4677** that would make supported decision-making the first consideration when deciding to grant guardianship in the Mental Health Code. The bills have not passed out of committee as of this writing, and advocacy efforts are underway to move them along.

Issues We Monitor

Home Help

Home Help is the Medicaid State Plan Personal Care Program that provides in-home services to those who qualify for assistance with Activities of Daily Living (ADLs), which include eating or feeding, using the bathroom, bathing, grooming, dressing, transferring, and mobility. If the individual qualifies for assistance with ADLs, then they may also get assistance with Instrumental Activities of Daily Living (IADLs), which are: taking medication, meal preparation, laundry, housework, and shopping.

- We will continue to advocate for closing wage disparities between individual direct care workers (DCW) in Home Help and those providing supports and services in other Medicaid funded programs.

Funding

Our public mental health system is underfunded. Additionally, state law requires CMHSPs to be the safety net for persons who have nowhere else to turn and those who have no insurance. The current system leaves many non-Medicaid individuals with

unmet needs, they are not given the proper consideration for eligibility, are placed on waiting lists, and left without services or assistance from anyone. An increase in general fund dollars and working to **ensure sufficient funding** for our public mental health system must be a priority.

Supplemental Security Income (SSI)

Currently individual SSI recipients may not have more than $2,000 in assets. An SSI eligible couple may have no more than $3,000 in assets. Asset limits have not been raised since 1989, and that increase only partially offset the effects of inflation up to that point. These asset limits do not allow people to save for the kinds of emergencies we all face, like having to move, or a furnace that needs to be replaced, or even some auto repairs.

Currently individuals receiving SSI get a Federal Benefit Rate of $994 per month. An amount that is below the federal poverty rate and would not even cover rent in many areas of the state. A couple who both qualify for SSI get $1,491 a month, or about 1 and a half times the individual rate.

- We will continue to support the advocacy work of the Arc of the US to protect this program and support legislation that would improve the financial security of individuals with disabilities by:
    - ✓ Increasing the asset limit.
    - ✓ Raising the Federal Benefit Rate to make it equal with the federal poverty rate, and index increases to inflation.
    - ✓ Making the rate for couples twice the individual rate, eliminating the marriage penalty for an eligible couple.

Conflict-Free Case Management

- CMS has approved Bureau of Specialty Behavioral Health Services' implementation plan to meet the rules for Conflict-Free Case Management. The Arc Michigan will continue to monitor implementation activity.