



POSITION STATEMENT



We, the undersigned, are engaged in supporting Michigan residents with mental illnesses and developmental disabilities. These individuals and their families are reliant upon Direct Care Workers (DCWs) for their daily support. Unfortunately, DCW wages in Michigan’s mental health system are directly tied to Medicaid funding, which has not kept pace with the needs of our state. Many of these workers do not receive any medical or other benefits.



Since our shared global struggle with COVID-19 began, the state has provided temporary hourly wage increases to keep DCWs on the job. These wage increases have been essential and must be continued—truly, they have been the only element helping us keep DCWs on the job amid Michigan’s ongoing labor shortage.



At the same time, however, Michigan needs to develop longer-term strategies that support DCWs as they work to provide high-quality, person-centered care statewide. Currently, our partners in the health and human services sector are advancing a series of proposals that make good sense for policymakers to consider, and we support the following policy recommendations:



Wages & Benefits



- Our research—and, more importantly, our professional experiences—suggest that a baseline hourly rate of \$18.00, including employer payroll costs, * is needed to adequately compensate DCWs. The total ask for Michigan’s behavioral health system is \$127 million of general fund revenue in FY 2023.
 - The compensation rate must be the same whether the DCW is employed by an agency or by the individual/family being served.
- Direct supervisors also must receive wage increases that are commensurate to the compensation of the individuals that report to them.
- Annual cost-of-living increases are required to stabilize the DCW job sector over time.
- The funding provided to agencies and individuals/families should be at a level which covers the costs of health care benefits and paid time off.



Funding Issues

- Michigan’s policymakers must increase the amount of Medicaid funding in the mental health system which would result in higher DCW wages. Consideration should be given to adding other funding sources over and above Medicaid.



Mental Health Association in Michigan



MICHIGAN ASSISTED LIVING ASSOCIATION



Michigan Developmental Disabilities Institute



Let's close the disability divide.



WITH LIBERTY AND ACCESS FOR ALL



National Alliance on Mental Illness

* Employer costs include payroll taxes, paid time off, and overtime compensation

- Wage pass-throughs must be eliminated and replaced with sufficient funding for higher wages provided through the Medicaid rates.

Professionalization of Direct Care Work

- It is essential for state and federal leaders to come to a common definition of Direct Care Work and develop a federal Standard Occupational Code for the profession.
- Define and set DCW competencies in ways that support professional growth and development, regardless of whether the DCW is employed by an agency or an individual/family.
- Offer paid training that helps DCWs build their competencies without cutting into their hourly rates.
- Once competencies are defined, create a robust credentialing system that helps develop these competencies in DCWs.
- Identify career pathways that can incentivize longevity and advancement in the profession.
- Understanding the physical and emotional toll direct care work takes on DCWs, seek consistent opportunities to foster a supportive work environment through employer training and DCW enrichment opportunities.
- Consider funding an advertising campaign to increase the workforce.

These policy changes can help begin to attract and retain DCWs within the profession, so all people needing services can obtain them. Right now, that is not the case.

The members of our coalition look forward to partnering with state officials, advocates, and others to ensure these policy improvements can one day become reality for the people of our state.