

April 8, 2019, Testimony to the Appropriations Committee

My name is Anne Richardson, and I am the Executive Director of The Arc Livingston, an advocacy agency serving people with disabilities and their families. I am here today, as an advocate for people with developmental disabilities, and also as the mother of an adult with significant disabilities, to ask you to please support additional Medicaid funding for a \$0.50 per hour wage increase for direct care workers. The continued caregiver crisis in Michigan, and across the country is very real and it is devastating the lives of individuals with developmental disabilities and their families! An increase in Medicaid funding would advance the corrective actions that were recommended in the 2016 Section 1009 legislative report. It would provide the safety and quality of life for our citizens with disabilities that they need and deserve, and would increase their access to supports and services by bolstering recruitment and retention of direct care workers. While the estimated annual cost of this increase would be \$22 million, Medicaid dollars would match this increase at approximately 2-1, resulting in an estimated additional \$45 million in federal dollars coming back to Michigan.

Individuals with developmental disabilities and their families, assisted by The Arc Livingston, are consistently stating they cannot find direct care staff to provide caregiving and community living supports. Family members live in fear that because they cannot find reliable staff, they will end up having to quit their jobs and become sole care providers, placing their families at risk economically, or worse, that their loved ones will be forced to move out of the county, into more restrictive settings, such as a group homes or long-term care facilities. Over the last year, ten Livingston County residents have already experienced this travesty due to the caregiver crisis! Because they need a high level of support, they have been forced into living situations, against their wishes, where they are segregated and living with strangers, far away from their families, their friends and their community.

Services and supports provided by direct care workers enable people with disabilities to work, attend school and fully engage with their communities. Direct care workers receive wages which are clearly inadequate. Based upon recent survey data, their average starting wage state-wide is \$10.46 per hour. By comparison, retail companies and fast-food restaurants generally offer a starting wage of \$11-\$14 per hour. As a result of low-pay, often coupled with a lack of benefits, a staffing crisis exists, which prevents people with disabilities from living the lives they envision. The situation is even more grave for those of us residing in Livingston County, due to the high cost of living and lack of affordable housing.

Direct Care Workers are the people that provide support to our citizens with disabilities, allowing them to live as independently as possible in their own communities. Can the people of Michigan count on you to see to it that direct care workers can afford to do this important work? This issue is affecting not only our disability community, but also our children and our elderly community members. This \$0.50 increase in Medicaid funding will have long reaching positive effects, and help many people, including my son, to retain their dignity and quality of life.

If you need more information regarding this issue, or if I can assist you in any way in moving this initiative forward, please do not hesitate to contact me.

Thank you all for your consideration.

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WE HAVE A DIRECT CARE WORKER CRISIS IN MICHIGAN

- People with developmental disabilities or mental illness who rely on **Direct Care Workers** for essential supports which enable them to access their communities, work, and live full, meaningful lives face critical, even life-threatening, staffing shortages.
- Inadequate wages, which are tied to Medicaid funding, have created this **Direct Care Worker** shortage.
- Turnover rates average 37%, and providers cannot compete with other businesses that offer higher wages, often with fewer work demands.

WE MUST RESPOND BEFORE THE CRISIS GETS WORSE

- An increase in Medicaid funding to provide for a \$0.50 per hour wage increase for **Direct Care Workers** would advance the corrective actions recommended in the 2016 Section 1009 legislative report by improving the safety and quality of life for individuals with disabilities, increasing their access to supports and services and bolstering **Direct Care Worker** recruitment and retention.
- The estimated annual cost from Michigan's General Fund would be **\$22 million**, monies which would be matched approximately 2-1 with an estimated **\$45 million** in federal Medicaid dollars.

50,000 DIRECT CARE WORKERS ARE NEEDED TO PROVIDE CRUCIAL SUPPORTS AND SERVICES TO INDIVIDUALS WHO HAVE A MENTAL ILLNESS AND/OR DEVELOPMENTAL DISABILITY. THE COMMUNITY MENTAL HEALTH SYSTEM ALONE PROVIDES SERVICES TO APPROXIMATELY 300,000 MICHIGAN CONSTITUENTS. THIS SYSTEM DIRECTLY OR INDIRECTLY IMPACTS MORE THAN TWO MILLION MICHIGAN CITIZENS.



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