Supporting direct care workers in Michigan

Strategies from other states

This paper describes various approaches to supporting direct care workers and highlights efforts other states are employing to support their direct care workforces.

Background

Direct care workers (DCWs) provide long-term care services to vulnerable populations—largely older adults and people with disabilities—and often help keep people in their homes. They assist with activities of daily living (e.g., eating, bathing, housekeeping, errands) as well as some clinical tasks (e.g., dressing changes, medication management). Direct care workers include a range of occupation groups such as certified nursing assistants, home health aides, personal care aides, and others. They provide services in the home and in institutional settings, group residential care settings, skilled nursing homes, and hospitals. They can be employed through private agencies or directly by a consumer (typically, with financial and logistical assistance from a public program).[i, ii] States may use different terms for DCWs such as direct caregivers, direct support professionals, or direct support workers. Medicaid is the largest payer for long-term care services, many of which are provided by DCWs.

In 2020 there were an estimated 165,000 DCWs in Michigan, making up roughly 4 percent of the entire state workforce and roughly 25 percent of the healthcare workforce. Demographics of DCWs vary by occupation and setting, but in 2019, direct care workers DCWs were predominantly female (87%), White (63%) or Black (29%), had a median age of 41 years, and had children of their own living at home (39%). [iii,iv]

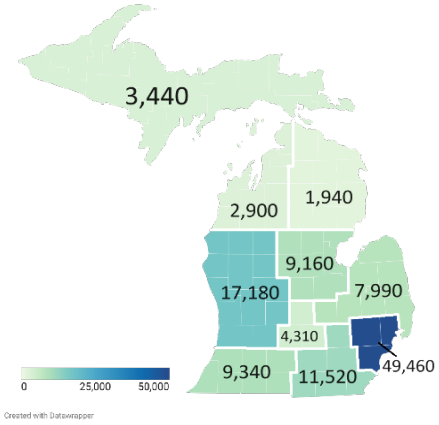
Shortages of direct care workers in Michigan

According to the 2024 Michigan Healthcare Workforce Index, Michigan's home health aides, personal care aides and nursing assistants have some of the highest shortage levels and turnover rates of all healthcare workers in the state.[v]

As in the rest of the nation, DCWs in Michigan face many challenges that contribute to the overall undersupply:

- **Low compensation in pay or benefits:** Of the 36 health occupations in the 2024 Michigan Healthcare Workforce Index, two of the three lowest wages were Home Health and Personal Care Aides ($13.69/hr), and Nursing Assistants ($17.35/hr), well below other healthcare workers. At the same time, these DCW groups saw two of the three highest percent growth in wages of 40% and 41% from 2012-2020.[vi] In 2019, DCWs in Michigan made $0.78 for every dollar earned by other entry-level workers.vii Although some DCWs meet the living wage for an individual in Michigan ($13.63/hour), many DCWs also have dependents. As a result, many DCWs are eligible for SNAP and Medicaid.[viii] Beyond compensation, DCWs receive

Number of home health and personal care aides and nursing assistants by prosperity region (2023)



CHRT calculation, data from Michigan Labor Market Information, DTMB

few benefits that most other healthcare workers receive such as health insurance coverage and paid time off.[ix]

- **Lack of training and career advancement:** Most DCWs lack standard and comprehensive training and credentialing programs for career advancement. With few federal education requirements, such opportunities vary widely by employer.[x]
- **Burn-out:** Along with low pay and inadequate training, other factors are often attributed to DCW burn-out, such as lack of respect and recognition, long hours, and demanding work.[xi]

State strategies to support direct care workers

Across the nation, states are working in varied ways to support DCWs. Michigan employers and policymakers may find that other states can offer useful examples of additional or complementary approaches to further build support for this crucial sector of the healthcare workforce. Below are the most common strategies states are using to support their direct care workforce.

Wage and benefit increases

Experts recommend wage increases as an essential way to support the direct care workforce. Over the last two decades, outside of temporary COVID-19 rate increases, states have incrementally increased DCW wages in the following ways:

- **Wage pass-throughs:** This is the most common approach that states have implemented to support DCW wage increases. There are various ways to accomplish wage pass-throughs, including adding a fixed dollar amount to DCW wages or benefits, requiring a percentage of provider rates be used to boost DCW wages, or creating state trust funds as sources for wage increases.xii The most typical approach increases Medicaid reimbursement rates, through which many DCWs are funded in part or in full, and directs providers to use the increased rate directly for DCW compensation.
- **Wage floors:** Seven states have implemented wage floor policies via the legislature, typically as a dollar amount or percentage above the state minimum wage. This can vary by type of DCW and setting. For example, New Jersey implemented a gradual increase in the wage floor for DCWs in nursing facilities up to $3 above minimum wage by 2024. Maine raised the minimum wage for all DCWs to 125 percent of state minimum wage in 2022.[xiii, xiv]
- **Direct care loss ratios:** Some states have passed legislation requiring employers to use a certain percentage of revenue to compensate DCWs rather than going towards profits. For example, New Jersey passed a loss ratio bill in 2020 that dictated 90 percent of Medicaid revenue in nursing facilities must go towards caring for residents.[xv]
- **Managed care contracts:** In states with a managed care model in Medicaid, the contracts with managed care organizations (MCOs) can be leveraged to raise wages for DCWs. For example, Wisconsin's legislature increased the amount paid to MCOs to go toward DCW wages and other benefits.[xvi]

Finally, in addition to the direct advantage to DCWs of wage increases, these increases may generate savings to states by reducing DCW's needs to use other state-supported benefits. For example, a New York state study estimated that an annual $4 billion increase in DCW wages could save $7.6 billion through reducing DCW enrollment in Medicaid.[xvii]

Employment benefits

States are investing in a range of benefits to support DCWs beyond wage compensation programs. These benefits commonly include:

- **Paid Sick leave:** Several states provide DCWs with paid sick leave. For example, Virginia law provides one hour of sick leave per 30 hours worked, up to 40 hours per year for DCWs providing services covered by the state Medicaid plan. Workers can use sick leave for preventive care and for their family members requiring treatment for illnesses.[xviii] In Vermont, home workers can accrue one hour of sick time per 52 hours worked up to 40 hours accrued. [xix]
- **Free or reduced premiums for health insurance:** Currently, nine states provide DCWs with state-funded premium subsidies for health insurance. These subsidies are in addition to the federal subsidies that reduce the costs of exchange-based health insurance coverage.[xx] This is an essential benefit for DCWs who work part-time or have multiple part-time jobs and no employer-sponsored insurance. For example, in Contra Costa County California, a Medicaid-managed care plan, Contra Costa Health, provides health insurance to DCWs who deliver personal care services to Medicaid-covered individuals with disabilities. To qualify for this coverage, the DCWs must provide at least 45 hours of assistance per month for two consecutive months. The DCWs are not required to prove US Citizenship.[xxi]
- **Childcare:** A few states are supporting childcare for DCWs and other low-wage workers. For example, the Pennsylvania state budget for FY 22-23 included $25 million to expand income eligibility for Child Care Works, a program that helps low-income families pay for child care. An additional $25 million was in the budget for the Child and Dependent Care Enhancement Program, a childcare tax credit. Although not specific to DCWs, many likely benefit from these programs.[xxii]
- **Overtime:** At least six states - California, Massachusetts, Minnesota, New York, Ohio, and Wisconsin - provide overtime pay for DCWs working in self-directed programs and allow hardship exceptions to weekly limits on Medicaid billable hours.[xxiii] For example, due to advocacy efforts, Ohio increased the 40-hour-per-week "hard cap" for self-directed workers to 60 hours to allow DCWs to work overtime and reduce their need for a second job.[xxiv]
- **Other wraparound benefits:** Several states support a range of other wraparound benefits for DCWs. For example, in California an adult day center provides every member of its DCW staff with a monthly $400 stipend for health insurance, car insurance, or other personal needs.[xxv] Washington state, through long-standing collective bargaining arrangements, pays contributions from provider rates to Taft-Hartley Trusts that fund a range of benefits for home care workers. Benefits include health care, vision, dental, PTO, and retirement savings.[xxvi]

Career advancement

To promote career advancement for DCWs, many states have invested in training and education programs, typically paired with special certifications or credentials. One challenge to states is deciding whether to build their own curriculums or procure existing programs. For those building their own, states recommend a competency-based curriculum in which several competency models exist from CMS, PHI, and Leading Age.[xxvii] Additionally, experts recommend building curriculums that prepare DCWs to be "universal workers," capable of working across various long-term care settings.[xxviii]

Other opportunities for career advancement that states are employing include:

- **Specialized training:** States continue to enhance training programs by either requiring specialized trainings for caring for specific populations or by offering special certificates to advance DCWs professional development, most commonly for dementia, Alzheimer's, and developmental disabilities. For example, California specifically requires staff in direct contact with Alzheimer's or dementia patients to have 12 hours of additional dementia trainings.[xxix]

- **Career ladders:** More states are actively transforming the landscape of DCW career paths with dedicated websites and initiatives to encourage job growth and professional development. For example, the My Colorado Journey platform allows DCWs to explore wage scales, available job positions, and the growth potential of high-demand roles. Additionally, this platform offers information on skills, training, and work experience needed to pursue a selected role. It utilizes state-collected data to monitor credentials earned and program completions.
- **Apprenticeships:** Earn-and-learn initiatives like apprenticeships create opportunities to recruit workers to be DCWs by removing barriers such as training costs. For example, Missouri Talent Pathways offers a Certified Direct Support Professional (CDSP) registered apprenticeship, which includes 2,000 hours of on-the-job training and 158 hours of coursework. Employers with DSPs who completed the apprenticeships have 26 percent higher staff retention rates compared to the statewide average.[xxx]
- **Tuition assistance:** Many states are providing tuition assistance for short-term training programs to help fill critically needed positions. To ensure workers go to or remain in home and community-based settings, states may require participants to sign attestations or conditional agreements requiring graduates to work in home and community-based settings for a certain period, often two years. For example, Hawaii partnered with local universities to launch the Hana Career Pathway Program in 2022.

Finally, some states tie wage increases to the completion of these types of training and credentialing programs.

Recruitment and retention bonuses

Thirty-one states have opted to provide DCWs with bonus payments, retention payments, signing bonuses, or recruitment bonuses. Typically, state-issued bonuses for DCWs have varied from $500 to $1,000, and have eligibility criteria such as fulfilling a minimum number of hours or days of work. Additionally, Colorado and Illinois have considered waiving licensure fees for direct care workers, among other healthcare providers. Recruitment and retention bonuses are often paired with education programs, as shown in the table below.

Examples of innovative state DCW training and education programs with incentives

STATE	PROGRAM	CERTIFICATE	COSTS TO DCW	INCENTIVES	LENGTH
CA	Caring4Cal	Certified Nursing Assistant Licensed Vocational Nurse Home Health Aide	Free	Level 1: $500 after 15 hours of coursework Level 2: $750 after level 1 and 30 hours of coursework Level 3: $1500, dependent on incentive track	Varies by certificate
MN	Minnesota Direct Support Personnel Training Program	National Direct Support Professional Certificate	Free for small providers, direct support professionals and caregivers, and state, county, and tribal nation staff	$500 one-time incentive 7.5% enhanced wage rate for Personal Care Assistance 7.5% enhanced wage rate for self-directed consumers	50 to 100+ hours

WI	WisCaregivers Careers Program	Certified Direct Care Professional Micro-credentials and virtual badges	Free	$250 after completing competency test $250 after six months of continuous employment $250 for every friend referred Teachers can refer students and earn $250 per referral for schools	30 hours
MA	DSW to LPN Certificate Program 2024	LPN Certificate	Free	Paid educational leave (32h/week) and maintain full DSW benefits and salary providing DSWs continue to work one shift per week.	10 - 12 months

Awareness campaigns

Many states have invested in promotional marketing campaigns to support DCWs. These campaigns typically aim to raise awareness of the DCW position or career, and to recruit workers. States often pair these campaigns with the launch of other workforce improvement efforts such as training programs, centralized career websites, or registries/job boards. Awareness campaigns seek to change the perception and culture around DCWs, to promote greater pride and respect from other healthcare workers.

Examples of state campaigns include:

- **Wisconsin:** With the implementation of WisCaregiver Careers in 2018 and 2019, a nursing assistant recruitment program included free training, job placement, and retention bonuses. Wisconsin launched a robust marketing campaign that included videos of nursing assistants discussing the value of their jobs.[xxxi]
- **Colorado:** Colorado launched the Direct Care Workforce Public Awareness Campaign to raise awareness of the value of DCWs, promote workforce pride and respect for these positions, and promote careers in the field. The campaign includes videos, infographics, flyers, social media posts, and more.[xxxii]
- **New Hampshire:** New Hampshire partnered with PBS and the Endowment for Health, a non-profit organization, to create a digital webinar series, Call to Care NH, to promote DCWs."

Registries and job boards

States also commonly invested in online registries and job boards to support DCWs. Registries can help enumerate the workforce, verify training and credentials, and directly connect DCWs with potential employers. States often pair registries and job boards together. Some states only support a registry without a job board component, likely due to the federal requirement for states to have a CNA registry.[xxxiii] Examples of job boards include:

- **Wisconsin:** Once a DCW earns a direct care professional certification through WisCaregiver Careers, the program adds the DCW to the state registry, and WisCaregiver Connections creates an account for them. The job matching site, run by Handshake, allows DCWs to search for jobs and provides information about career-related events and job fairs.

- **Minnesota**: Minnesota launched Direct Support Connect in 2017, a DCW job board that is accessible to all workers and consumers. One learning from this job board is that to increase impact, states should ensure that consumers can advertise precise scheduling information, such as specific hours of the day they are available.[xxxiv, xxxv]

Data collection and monitoring

In addition to DCW registries, states are collecting and monitoring DCW data by aggregating data from various sources and/or periodically surveying DCWs directly. State examples include:

- **Connecticut**: In partnership with the University of Connecticut, the state developed an internal data dashboard to measure the supply and demand of DCWs providing care Medicaid beneficiaries. This dashboard has identified a gap of 10,000 workers needed to meet the demand for services. This readily available data enabled Connecticut to justify rate increases for these workers, demonstrated the wage gap between providers in home/community and institutional settings, and encouraged rate parity across settings.[xxxvi]
- **Texas:** Texas requires Medicaid providers of long term supports and services to report on the size, stability, and compensation of DCWs in their annual Cost and Accountability reports. These reports can inform future reimbursement rates and enable Texas to track its direct care workforce.[xxxvii]
- **Louisiana:** Louisiana collects additional DCW data through the National Core Indicators Staff Stability Survey. Twenty-five other states participated in the survey in 2019.[xxxviii]

Equity-focused DCW initiatives

The direct care workforce is disproportionately made up of women of color and immigrants. Given this, several states recognize the need to invest in initiatives promoting equity and supporting marginalized and immigrant communities. State examples include:

- **California:** DCWs who are bilingual or who complete equity training can earn higher pay from certain agencies.[xxxix]
- **Illinois:** In addition to nine other states and DC, Illinois allows undocumented immigrants to obtain a driver's license using foreign identification or proof of current residency in the state. This allows DCWs to drive more safely and legally.[xl]
- **Rhode Island:** Rhode Island is creating the Health Professional Equity Initiative to expand career opportunities for direct care workers. This initiative aims to increase diversity by focusing outreach on marginalized communities and communities of color. Funds go towards last-dollar tuition assistance, i.e., tuition not covered by other aid and other wraparound supports, such as fees, books, and other aids. The pilot program runs from Fall 2022 to March 2025. As of February 2023, the program has enrolled 130 participants.[xli]

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