Policy Brief

Direct Care Workforce Shortage

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By 2020, Michigan will need 34,090 more trained DCWs than we currently have, due in part to a rapidly growing aging population.

Low wage levels, lack of affordable comprehensive training, and low job appreciation and respect are all drivers of the DCW shortage.

Various strategies can be employed to build capacity and overcome current challenges including:

- Recognition and incentive programs
- Career pathways
- Accessible trainings
- Professionalizing the workforce
- Supporting wage increases
- Establishing a statewide DCW commission

Issue:

There are nearly four million Direct Care Workers (DCWs) in the U.S. who provide hands-on care to older adults and persons with disabilities, including certified nursing aides who primarily work in nursing homes, psychiatric aides, direct support professionals who work with people who have mental illness or developmental/intellectual disabilities, home health aides and unlicensed personal care aides (PCAs) who work in client's own homes (Seavey, 2010). PCAs assist clients with tasks such as dressing, bathing, housekeeping, meal preparation, and medication management. They are responsible for up to 80 percent of paid, hands-on care provided in private homes, residential settings, and adult day care settings. PCAs are typically employed by an agency or directly by clients (PHI, 2013). They make it possible for people to live at home for as long and independently as possible, which avoids premature and more costly placement in institutional settings e.g. nursing homes which cost $208.50 (Medicaid rate) versus $79.77 per day for home care under the MI Choice Waiver. PCAs are in a pivotal position to monitor their client's status, recognize and report changes, potentially avert costly emergency department visits or hospital stays, and diminish or contribute to quality of life (Luz & Hanson, 2015).

By 2020, Michigan will need 34,090 more trained DCWs than we currently have, due in part to a rapidly growing aging population (PHI, 2019). However, their work is characterized by unstable hours, few if any benefits, low pay, and little if any training, which results in ongoing and devastating high turnover rates and compromised quality of care (Health Resources and Services Administration, 2013; Mickus, Luz, & Hogan, 2004; Newman, 2019). In fact, the cost of turnover is typically 16 percent of a worker's annual salary (Boushey & Glynn, 2012). Recruitment, training, and compensation issues must be addressed to make sure Michigan has enough DCWs to meet the needs of Michiganders in the coming years. Increased numbers are not enough. We need a stable home care workforce comprised of DCWs who are skilled, who care about their clients and who not only want to stay on the job but are given enough resources to do so.

Challenges:

Wage Levels

Recruitment and retention are affected by wage levels that are lower than wages provided by competing employers. The average pay rate for a DCW, both in Michigan and nationally, hovers around $10 per hour (PHI, 2019). Most PCAs, for example, report they cannot make it without other household income from a partner, a second job, or Medicaid. This is due in large part to jobs most often being part-time and characterized by a lack of guaranteed hours. In addition, rarely are the total costs of providing services recognized. For example, workers very likely have transportation challenges themselves, such as unreliable vehicles, yet may be asked to spend hours traveling to provide services in several counties in one day. Non-competitive pay and benefits contribute to a significant problem recruiting and retaining DCWs, especially in the current economy with low unemployment. In many regions, the pay rate is so low that DCWs can secure better income and benefits by working in the fast food or retail industries. It is important to note, however, that many of these workers prefer to engage in this DCW role rather than other employment opportunities. They see it as a calling and often say they "would do it for free" if they could (Luz, 2019).

Inconsistent Work Hours / Lack of Fringe Benefits

The low incomes of DCWs are due in part to the fact that many do not have predictable hours or the opportunity to work more hours. In addition, DCWs have limited access to employee benefits, including health insurance coverage, sick leave, retirement benefits, and adequate training.

Paying for Training

Evidence is clear that comprehensive training increases PCA knowledge, skills, job marketability and satisfaction, and increases client satisfaction, all of which are known to decrease turnover (Luz, Swanson, Ochylski, & Turnham, 2014). There is also evidence of a direct association between comprehensive training and reduced costly, adverse events such as falls and emergency department visits (Luz, Hanson, Hao & Spurgeon, 2017). All DCWs, including PCAs, need training in professionalism, person-centered thinking, communication, infection control, body mechanics, home skills, dementia, elder abuse and exploitation prevention. Additionally, training is required on assisting with instrumental and activities of daily living to provide quality supports, but not enough of this kind of training is readily available and accessible. The availability of low- or no-cost, flexible training is key for these workers and efforts should be made to make it possible for them to participate in high quality training such as the evidence-based Building Training…Building Quality™ (BTBQ™) program.

Lack of Job Appreciation, Status and Respect

Direct care work is demanding in multiple ways (physically, emotionally, financially, etc.) and requires a specific set of skills necessary to providing high quality care. DCWs often feel underappreciated and they report that they do not get enough respect for their knowledge and skills. For example, the work is often falsely referred to as "unskilled," "non-skilled," or "low-skilled" and many DCWs report that they have been called "glorified butt wipers," "the maid," and the "housekeeper" (Luz, 2019). Their average pay rate and lack of benefits reflect the low value our society places on this critically important workforce.

Opportunities:

Offer incentives to DCWs who provide quality care and stay on the job

Several Michigan AAAs and their home care contractors have been using incentives to help retain DCWs. For example, Region IV AAA (serving Berrien, Cass, Van Buren counties) learned about homecare agency staffing difficulties due to emergencies such as cars breaking down and paying for childcare. They provided cash support for the DCWs unmet emergency needs. Additionally, in Fiscal Year (FY) 2018, Region 7 AAA (serving Bay, Clare,

Gladwin, Gratiot, Huron, Isabella, Midland, Saginaw, and Sanilac counties) offered agencies an opportunity to apply for grants of $1,000 bonuses per employee up to five employees. Eighty employees from 18 different agencies received the retention award. The Region 7 AAA reported that almost all of the caregivers who received the award were still employed with those agencies in FY 2019. Other providers have implemented different incentives with mixed results. Region 14 AAA (serving Muskegon, Oceana, and Ottawa counties) initiated a pass through, quality-based incentive with two options in one-time bonuses in FY 2019 to excellent home care providers. A 2 percent increase minus payroll taxes was accepted by nine agencies and a second bonus was provided to 15 agencies who met certain quality support criteria for a total of $280,000 (State Advisory Council on Aging Report—2019). However, these providers reportedly still have difficulty recruiting and retaining staff. This anecdotal evidence indicates that supporting AAAs to include an incentive program holds promise for stabilizing the DCW workforce. Including a robust evaluation component to determine the long-term impact of differential incentive programs on turnover rates would provide invaluable data to the state that could guide effective workforce development strategies. A systematic longitudinal study of AAAs, home care agencies and other providers could be conducted in addition to assessing the range of incentives being used nationally and their potential applicability to Michigan.

Create career pathways

There are multiple ways to increase the number of qualified DCWs including widening the pipeline through high school, apprenticeships, and other career development programs. With funding from Michigan Health Endowment fund, IMPART (Integrated Model for Personal Assistant Research and Training) Alliance is currently piloting one of the first PCA Technical Training programs for high school students in the state, using the BTBQ™ curriculum. Once the pilot year is completed, IMPART should be supported to expand to other high schools throughout the state over the next 3-5 years. In the future, public school funds would pay for this high school program. Michigan's Aging and Adult Services Agency (AASA) is exploring options to create a career pathway, including an expedited pathway via a bridge program from BTBQ™ to local community college courses such as CNA, medical technician and more. IMPART is currently researching if similar models exist nationally to determine if best practices exist, and how Michigan's model can learn from them or take the lead in setting standards and providing new ways in which to address the workforce shortage.

Promote professionalizing this workforce.

This is a critical strategy to confronting the shortage. It is imperative that professional, ethical, and educational standards be set, and any programs and efforts going forward strive to meet these standards (Smith, MacBeth, & Bailey, 2019). No such set standards are currently required for PCAs. If these workers are to command better wages, job conditions, and respect, they need to be recognized as professionals who possess certain competencies and who can be trusted to provide safe, person-centered care. IMPART is currently in the process of establishing a PCA Professional Association with these goals in mind. The planning committee is comprised completely of PCAs.

Expand and improve access to training

Multiple strategies would improve access to training for DCWs, including a change to state/federal Medicaid laws to allow pre-hiring and initial PCA training to be covered by Medicaid. One possibility is to offer an initial training stipend and ask the home care providers to provide a percentage of matching resources for training. Another strategy is to work with the Michigan Medical Services Administration to develop creative strategies to pay for training. Other strategies include working across state agencies, regional MI Works! Going Pro Talent Fund Programs, the aging network, home care and social service agencies, community colleges and others affected by the workforce shortage to hold IMPART BTBQ™ trainings for trainers and PCAs, and include DCW training in state-funded, skilled trade programs such as the Marshall Plan.

Increase recognition and the status of DCWs in the workforce
In order to strengthen the workforce, it is important to raise public awareness and social value of all DCWs as skilled professionals. As mentioned, establishing professional and competency standards, training requirements, a recognized certification, and networking opportunities that include state-wide coordination of DCWs (across Medicaid, behavioral health, and Older American Act programs) is critical to support the need for dedicated staffing with a registry to ease access to information.

Examine innovative strategies for increasing wages – Due to the size of this workforce, any increase in wages will require substantial resources. MDHHS acknowledges the challenges around wages and is committed to exploring innovative financing models to address those challenges.

Establish a statewide DCW commission that recognizes the impact of the shortage on the economy, business, healthcare, long-term care, housing, families, Medicaid spending, and all Michiganders, both personally and collectively. The commission must also recognize the multiple factors contributing to the shortage, how they are connected and how addressing the challenges needs to involve strategic coordination of multiple, interrelated strategies as well and sets up a system that can respond to regional differences.

This policy brief details just a few of the many steps that can be undertaken immediately to address Michigan's DCW shortage, many of which do not require substantial resources. The return on investment would be enormous.

Michigan Direct Care Workforce (DCW)

DCW type	Number	Training	Wage per hour*
Certified Home Health Aide/Assistant*(CHHA)—May perform certain clinical tasks under supervision of licensed professional—works in certified home health agencies and hospice orgs.	27,100 (As of 2017 per PHI)	75 hours	$10.57 (As of 2017 per PHI)
Certified Nursing Assistant (CNA)—Over half work in LTC, the rest work in multiple settings such as home health agencies and hospice	50,600 (As of 7/15/2019 per LARA)	75 hours Required to pass Clinical Skills and Written Test	$13.91 (As of 2017 per PHI)
Direct Support Professional—Works in behavioral health supports settings, i.e. small independent living homes, Adult Foster Care, Assisted Living	50,000 (As of 7/15/2019 per MALA)	Various training requirements including the Michigan Mental Health Code, MIOSHA, HIPAA, and past MDCH requirements	$10.70 average wage $13.50-14.50 community Living Supports orgs, includes taxes, insurances, training $15.50 Community mental health orgs includes taxes, insurances, training
Home Help Worker—Hired by a family/friend to assist with Activities of Daily Living and Instrumental Activities of Daily Living e.g. shopping cooking, house- keeping; some are hired by home care agencies as well and they may work with more than one person	66,000 est.	No required training	$9.45 (As of 2019)

**Michigan's current Minimum Wage is $9.45. It will increase $.20 on January 1, 2020, to $9.65 and then will gradually increase to $12.05 by 2030.*

**While there are no federal training requirements, Michigan's Home and Community-based Medicaid Waiver Program (MI Choice) simply requires that DCWs be trained in the tasks to be performed with no guidance about the scope or length of training.

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