

## Direct Care Workforce Crisis: A Threat to Independence, A Threat to Business

***Increase the Medicaid Personal Care (MAPC) fee-for-service rate by 15% in 2018 to help fund workers providing in-home services and ensure the agencies they work for stay in business so older adults and people with disabilities have the option to remain living at home—where they prefer to be—in the most cost-effective setting.***

Wisconsin is currently experiencing a crisis-level shortage of direct care workers that is leaving families without options and older adults and people with disabilities without needed care. Direct care workers help people get out of bed, use the bathroom, get dressed, prepare meals, travel to and from work or school, and perform other activities necessary for daily living.

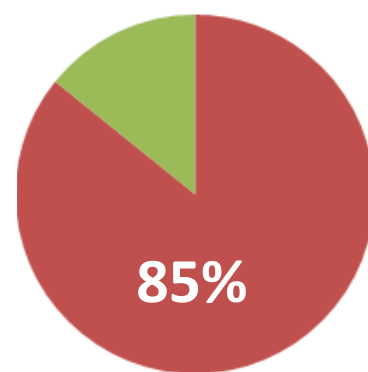
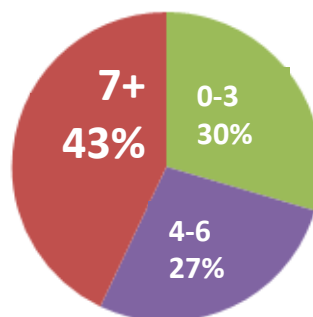
### Investments in the Direct Care Workforce Benefit Everyone

Direct care workers make it possible for people with disabilities and older adults to lead safe and healthy lives in their communities. This is not only where people prefer to live, it is also the most cost-effective setting. Wisconsin’s Department of Health Services’ Community Relocation Initiative found that **moving people from nursing facilities to the community reduced costs by 26%**. The Medicaid Personal Care Rate (MAPC) rate has **only increased by \$0.24 over the past 14 years**, and there have been no rate increases since July 1, 2008. Low MAPC reimbursement rates make it difficult for agencies to pay workers competitive wages. **At least 40 % of direct care workers in Wisconsin rely on some form of public assistance.**

### Impact of the Workforce Crisis on Consumers

According to a survey conducted by the Survival Coalition of Wisconsin Disability Organizations, **more than 85 percent of Wisconsinites who rely on direct care workers for some or all of their support needs say they cannot find enough workers.** Thus, people with disabilities and older adults are going without needed assistance—putting them in danger of serious illness, harm, and a loss of independence.

**43% Can't Find a Worker Seven or More Times Per Month.**



**85% Don't Have Enough Workers**

Additional responses indicated:

- **1 in 5** consumers are considering moving out of community living.
- More than **1 in 4** missed medication, a meal, or medical appointment without a worker.
- Nearly 40% were forced to **quit a job** or miss workdays.

Wisconsin has long been a national leader in supporting people with disabilities and older adults in the community instead of institutional settings, but the workforce crisis threatens to undo this progress. People across the state are now forced to choose between living in the community without necessary supports or moving to a nursing home or institution.

## Impact of the Workforce Crisis on Workers, Agencies, and Communities

The direct care workforce crisis is driven by high worker turnover rates and increasing job vacancies. Direct care agencies cannot pay workers a competitive wage under the current state reimbursement rate, which has not had an appropriate increase in over 14 years. Provider agencies—struggling to keep their doors open—are reporting high turnover rates because they cannot increase workers' wages. Unable to make ends meet, many workers leave direct care jobs to work at fast-food restaurants or gas stations.

According to the Wisconsin Personal Services Association (WPSA):

- Member agencies report that MAPC service costs are at least **15% to 20% above the current reimbursement rate** of \$16.08 per hour.
- 31% of agencies surveyed are currently considering **closing or downsizing**.
- 50% said they have had to **lay off staff** or reduce hours due to budget constraints.
- **3 out of 4** WPSA members receive more than half their revenue from Medicaid.
- Agencies are experiencing **turnover rates** above 50%.
- 93% find it difficult to fill job openings.
- 70% are **unable to provide staff for all authorized hours** and 52% of agencies set a minimum number of hours a worker must provide service for a client at each visit.

Individuals will lose their jobs and communities will suffer an economic loss as personal care agencies close or downsize. Additionally, services will be lost both to the individuals receiving Medicaid benefits, as well as to those paying privately.

Demand for direct care services is projected to increase by 28% between now and 2024 and there are already an estimated 2,300 personal care job openings each year in Wisconsin. If direct care turnover rates remain at current levels and jobs continue to go unfilled, the number of people living without assistance will only grow.

**Action must be taken now** to address the direct care workforce crisis to ensure home care services remain an option for all who need them now and in the future.