



Testimony on Appropriations For the Michigan Department of Community Health

House of Representatives Appropriations Sub-Committee

March 5, 2007

Good morning Chair McDowell and committee members. My name is Hollis Turnham. I am the Michigan State Director for the Paraprofessional Healthcare Institute. We deeply appreciate the Sub-Committee's commitment to hearing from Michigan's citizens about the importance of Medicaid and the health and economic missions it fulfills for 1.6 million people.

Description of PHI

PHI works to improve the lives of people who need home or residential care – and of the workers who provide that care.

Our practical workplace and policy expertise helps consumers, workers and employers improve the quality of care, by creating better-quality direct-care jobs.

Our goal is to ensure caring, stable relationships between consumers and workers, so that both may live with dignity, respect and independence.

The Paraprofessional Healthcare Institute (PHI) is a not-for-profit organization that works to strengthen the direct-care workforce within Michigan's long-term care system. We are largely foundation funded, and the Charles Stewart Mott Foundation of Flint is our largest Michigan funding resource.

Our work is grounded in the philosophy that **quality jobs** for direct-care workers will lead to **quality care** for long-term care consumers. While there are many factors that enhance a consumer's definition quality, one key element is the consistent presence of a trained, compassionate caregiver. Many of these workers see their job as a calling, but many report that they can't afford the work. Competitive wages and health insurance coverage are critical elements in attracting and sustaining a strong, qualified corps of direct-care workers, employed by the state's 6,000 long-term care providers.

Budget crisis

We at PHI are mindful of the state's economic crisis — state revenues are not sufficient to fund currently authorized services. While we agree that an enterprise as large and diverse as the state of Michigan can and should always look for efficiencies and discard programs that no longer serve our needs or interests, PHI does not believe that the state can fund the entire array of services needed by a civilized society or demanded by its citizens without increasing state revenues.

We are most familiar with the state's long-term care system both as a health care delivery system and as an economic sector generating thousands of new jobs every year.

We see a struggling sector and system. It is a services and economic system created and sustained in large measure by the Medicaid program. And, it serves consumers who have exhausted their own economic resources — large and small.

We know that elders and their families are **waiting for vital services** because of waiting lists. We know that businesses are struggling to offer **health insurance to their frontline health care workers**. We see thousands of frontline caregivers earning so little that they qualify for receive Medicaid, food stamps, child care subsidies, housing subsidies, and other forms of public assistance.

Any reduction in current funding of long-term care services that serve over 100,000 individuals a year or to the state infrastructure that directs the system will do further damage...maybe irreparable damage.

Building more long-term care options

In keeping with the desires of all Michigan's citizens and the Department's state goal to "promote access to the broadest possible range of quality services and supports," PHI supports the creation of more real choices for publicly funded, quality long-term care services.

Those options are gravely limited today with thousands of people on waiting lists for the MI Choice waiver program.

Those options are impaired by the inability of consumers to receive MI Choice services in our state's licensed Adult Foster Care homes and Homes for the Aged.

It is time for Michigan to invest more not less in securing the entire array of residential and home based long-term care services that are enjoyed by the people of the Midwest.

Wage increases for Home Help and CMH caregivers

We support those portions of the budget proposal that fund wage increases for Home Help providers and those working in Community Mental Health programs. Thousands

of people are “called” to direct care jobs – to care for others whose independence and life goals can be fulfilled with the assistance.

Unfortunately, our state has not matched our desire to support independence, quality support services, and quality of life for those with disabilities to a financing system that supports the economic self-sufficiency of its long-term care workforce.

I’m attaching a copy of a study we did for the Public Policy Institute of AARP on how states across the country are improving the wages of direct care workers.

Thousands of frontline caregivers who we say are performing important work do not have the importance of that work compensated with a wage that supports individuals or families. As a result, services are unstable.

Improving the wages of frontline caregivers is necessary to support clients and the workers who support them.

Michigan First Health Plan

Ironically, the Michigan First Health Plan will have a direct impact on thousands of people working in our state’s Medicaid funded services sector.

After working with the state’s long-term care provider associations, workers and their organizations, and consumers using long-term care, we estimate that 30,000 frontline staff working in the Home Help program, adult foster care homes, home care agencies, homes for the aged, and nursing homes would qualify for the program’s defined population – individuals living below 200% of poverty and working without access to affordable health insurance.

The stability of services to the state’s elders and people living with disabilities depend on a stable, committed workforce. The lack of affordable health care coverage destabilizes the ability of home health aides, direct support professionals, Home Help providers, and certified nursing assistants to support their families and their clients.

We are impressed with the Granholm administration’s openness to stakeholder input and willingness to explore new approaches to implementing this unique public – private partnership to cover 550,000 of the state’s unemployed. For example, we believe that a new approach is needed to judge the “affordability” of offered health insurance that focuses not on how much an employer contributes to the cost of the premium but on the ability of low-wage workers – people making \$7 to \$10 an hour – to afford the coverage.

Like employers all over the state, health insurance is becoming more and more unaffordable. Many, particularly small employers with less than 20 employees, are balancing health insurance costs with the viability of their operations. Now is the time to get more options for individuals to access needed, basic health care coverage.

We call on the legislature to support the creation of the Michigan First Health Plan and other proposals that open access to affordable, comprehensive health care coverage to those working in long-term care and all Michigan residents.

Thank you again for the opportunity to provide comments today. We are available to answer questions, provide more information about how other states are expanding access to health care for the uninsured and how to improve the wages of direct care workers. We can be reached at 1325 S. Washington Ave, Lansing, MI 48910; (517) 372-8310 or Hollis@Paraprofessional.org.