



HHS SC  
4-8-19



April 8, 2019

The Honorable Representative Whiteford and All Members of the House  
Appropriates Subcommittee for the Michigan Department of Health and Human  
Services:

Thank you for your willingness to serve on this important committee that helps  
decide the necessary funding for some of the most vulnerable citizens in our  
State.

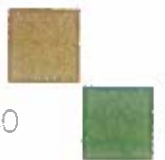
I am the CEO of a non-profit organization in Kalamazoo County and I come here  
today to speak to two issues specifically. One topic is the direct care workforce  
crisis and the other is reimbursement for outpatient therapy for children with  
autism.

Residential Opportunities, Inc, employs 430 staff. Roughly 375 of these staff are  
categorized as direct care workers. We are currently at least 64 staff short of  
being fully staffed and in today's employment market we cannot recruit the  
number or quality of staff we need. Our turnover rate is close to 30% and is  
higher than it has ever been in the 34 years I have worked for ROI.

You must know that providers who employ direct care staff cannot recruit or  
retain adequate staff to meet the needs of the people for whom they are  
responsible. The consumers in the mental health system are sometimes getting  
no services or getting much less than they need. Staff burn out because they  
have to work so many hours as a result of being short staffed. When they get  
burned out they quit, creating a vicious cycle of poor staffing. In November 2017  
we terminated services to 31 consumers of mental health services only because  
we did not have enough staff to continue providing services.

The direct care workforce represents the backbone of the mental health  
system. These are the staff responsible for caring for those with the most severe  
disabilities in our system. They provide intimate physical care, they literally deal  
with life and death decisions, they deal with highly aggressive individuals who  
cannot express themselves in other ways - and they live in poverty. In a few  
instances our current staff are even homeless.

We, the State of Michigan, need to invest in these staff if people are to have a  
good quality of life. Providers need to – at least - be in a competitive position



with McDonald's, Costco, Target and others. We also need a strong benefits package if we want them to stay in this workforce.

The Section 1009 Report, developed at the directive of our State Legislature in the FY 2015-16 State Budget and designed to create a set of recommendations regarding the direct care workforce shortage, calls for a starting wage of \$2.00 per hour above the minimum wage – or \$11.45 per hour this year and \$11.65 in 2020.

I ask that the State of Michigan make this an ongoing funding priority so the users of the community mental health system can receive the care they deserve from a quality workforce. In order to assist with this please fully fund at least a \$0.50 per hour wage increase for this population of staff. This would increase the average starting wage across the State to approximately \$11.00 per hour.

My second issue to speak with you about is the legislatively mandated reimbursement rates for outpatient therapy for children with autism. Section 959 of the current fiscal year budget established a reimbursement cap of \$50.00 per hour for one to one therapy for children with autism. When this was implemented we almost immediately had to close one of our three outpatient clinics, leaving the children of Three Rivers without services. One of our other two locations, in Portage, continues to be in danger of being closed due to the losses that program is experiencing. I urge you to remove the cap and allow the public mental health system to determine rates based upon the market. The children in most danger for service reductions are already experiencing those reductions. Children in rural areas, children receiving part time services and children with challenging behaviors have already seen reductions in services by the establishment of this arbitrary cap.

Thank you for your consideration of these important issues and your strong interest in the quality of life for people supported by Michigan's mental health system.

Sincerely,



Scott Schrum  
Chief Executive Officer

Cc: Representative Brandt Iden  
Representative Matt Hall  
Representative Jon Hoadley  
Representative Beth Griffin