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March 12, 2024

The Honorable Christine Morse, Chair, and
Members of the House Appropriations Health and Human Services Subcommittee

Re: FY 2025 Health and Human Services Budget

Dear Chairwoman Morse and Subcommittee Members,

On behalf of AARP Michigan, we appreciate this opportunity to highlight and advocate for the following items in the **FY 2025 Health and Human Services budget** that particularly impact the extent to which older adults in Michigan can live safely and in good health as they age, and that are needed to support family caregivers in Michigan:

- *Long Term Care Ombudsman Staffing*
- *Access to Home and Community-Based Services (HCBS)*
- *Caregiver Resource Centers*
- *Ensuring a More Sustainable Direct Care Workforce*

Long Term Care Ombudsman Staffing

- AARP urges the Legislature to adequately staff Michigan's Long Term Care Ombudsman Program by adding 33 new FTEs to the MLTCOP program (30 additional local ombudsmen and 3 additional FTES in the state Office of the Ombudsman) at an estimated total cost of approximately \$3 million.

The tragedy of COVID-19 shed new light on longstanding problems in Michigan's long term care system – one of which is that our state's long term care ombudsman program has been terribly understaffed for many years. The Michigan Long Term Care Ombudsman Program (MLTCOP) is an essential tool for ensuring the health, safety, welfare and rights of Michigan residents who live in nursing homes and other licensed long-term care facilities in our state. State, regional and local long-term care ombudsmen advocate for and on behalf of people living in these facilities, including assisting residents and family caregivers with problems, helping them navigate complex systems, and investigating complaints. The nationally recommended ombudsman-staff-to-bed ratio is one ombudsman FTE to every 2,000 long-term care beds. Michigan currently has only 20 designated ombudsmen totaling 18.3 FTEs, meaning our ratio is only one ombudsman FTE to every 5,166 beds. In a recent review of ombudsman staffing across the states, only three states in the U.S. had ombudsman staffing ratios worse than Michigan's. To adequately staff Michigan's Long Term Care Ombudsman Program at a level of one FTE per 2,000 beds, our state should have a total of 51.5 ombudsman FTEs.

Access to Home & Community-Based Services (HCBS)

- As part of Michigan's Silver Key Coalition, AARP urges the Legislature to increase state funding in the Aging, Community Living and Supports (ACLS) portion of the FY 2025 MDHHS budget by \$7 million for in-home services provided through the Area Agencies on Aging network, and by \$1 million for home-delivered meals.



AARP also urges the Legislature to continue efforts to rebalance Michigan's long term care system by increasing access to Medicaid-funded HCBS through MI Choice, including by raising the \$2,000 asset limit for participants.

Often, simply providing assistance with the “activities of daily living” – help with things like shopping, laundry, and meals – can be the difference that allows someone to remain living in their own home and avoid moving into a nursing home. Nearly 9 out of 10 (89%) of Michigan voters say they want to avoid ever living in a nursing home, and if or when they need long term care services, they prefer to stay at home, or in a home-like community setting. However, according to AARP's 2023 *Long-Term Services and Supports State Scorecard*, Michigan ranks 36th in the nation in terms of the outsized share of taxpayer dollars the state spends to provide care in nursing homes compared to the smaller share of resources that go toward providing long term care for older adults through HCBS. Ideally, a state should spend the majority of its Medicaid long term care funding to provide care for people in home and community-based settings (where they want to be), but 70.6% of Michigan's Medicaid spending for long term care goes to pay for care in nursing homes instead. “Rebalancing” Michigan's long term care system to provide more services through HCBS also makes fiscal sense. Studies show that states who provide a higher proportion of long term care through HCBS save money. On average, Medicaid dollars can support nearly three older adults or people with disabilities in home and community-based settings for every one person in a nursing home.

Caregiver Resource Centers

At any given time during the year, an estimated 1.73 million Michiganders perform a great labor of love: helping their older loved ones to live independently at home, where they want to be. They are the single largest provider of long-term care for adults living at home and the first line of defense against older Michiganders being readmitted to hospitals or forced to move into nursing homes.



AARP urges the Michigan Legislature to expand services for family caregivers by supporting implementation of a *Caregiver Resource Center* model for the State of Michigan which would:

- Expand caregiver services by funding new or expanded Caregiver Resource Centers through Michigan's Area Agencies on Aging network;
- Create a Michigan Caregiver Collaborative advisory committee on which AARP Michigan would serve as a stakeholder representing family caregivers; and
- Create a statewide virtual resource clearinghouse offering evidence-based educational and training materials, to maximize opportunities for scaling

The Legislature appropriated \$5 million for Caregiver Resource Centers in the FY 2024 MDHHS budget as a first step toward establishing these centers, and the State of Michigan is currently planning to pay for the statewide aspects of this model with an initial \$1.6 million in HCBS funding under the American Rescue Plan Act (ARPA), pending approval from the federal Centers for Medicare & Medicaid Services. AARP urges the Legislature to continue its support of Caregiver Resource Centers with an additional investment of \$5 million in the FY 2025 MDHHS budget, and to maintain that investment annually.

Ensuring a More Sustainable Direct Care Workforce

Any effort to increase access to long term care options relies on the availability of a direct care workforce to provide these services in home and community-based settings, and Michigan is currently facing a critical shortage of reliable, trained direct care workers. Michigan needs 36,000 more direct care workers than the 165,000 we currently have, but uncompetitive pay, low job satisfaction, unpredictable schedules and the absence of benefits make it difficult to attract or retain these workers. AARP urges policymakers to address critical shortages in

Michigan's direct care workforce – both right now and for the future – by advancing the recommendations of the MDHHS Direct Care Workforce Advisory Committee, of which AARP is a member. These solutions include:

- Increasing the Medicaid wage rate for direct care workers who provide care in home and community-based settings by \$4.00 per hour to help make these positions more attractive in the current competitive job market.
- Implementation of efforts spearheaded by the Impart Alliance to increase job satisfaction in the direct care workforce through improved staffing models, comprehensive training, credentialing, and career pathways.

Thank you for this opportunity to share AARP's priorities for the FY 2025 Health and Human Services budget, and for your work on these important issues. If you have any questions or if there is further information we can provide, please feel free to contact Melissa Seifert at 517-316-6393 or mseifert@aarp.org.

Respectfully submitted,



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