

\$22 in 22

INTERVENTIONS ARE NEEDED **NOW** TO ADDRESS THE DIRECT CARE WORKFORCE CRISIS

- **Lack of direct care staffing** is leaving the District’s vulnerable older and disabled residents--and their families--**without the help they need to support basic care and safety.**
 - Direct care workers include Certified Nursing Assistants (CNAs), Home Health Aides (HHAs) and Direct Support Professionals (DSPs—who work with individuals with developmental or intellectual disabilities)
 - From surveys, overtime data and first-hand reports, we know that **providers** who are responsible for providing direct supports and services to District residents **are unable to recruit and train sufficient staff to meet current needs.**
 - **District residents are aging and demand for services is growing.** Today, the older adult population (age 60 and older) represents approximately 16.5% of the population; the number of seniors is continuing to grow as the baby boom population ages.ⁱ
 - **The District is** making significant new investments in the health sector, particularly in Wards 7 and 8, **creating even more demand for direct care workers.**ⁱⁱ
 - The DC Health Sector Partnership identified Certified Nursing Assistants and Home Health Aides as two of DC’s five highest demand, highest growth entry level career health occupations and projects **DC will need 13,000 workers among these five occupations within the next five years.**
- **Doing nothing is not an option.** Without sufficient numbers of high quality, direct care staff, **DC cannot meet the current needs of residents and their families.** Family caregivers, acute care hospitals, service providers and long-term care facilities **will be overwhelmed.**
- **Medicaid, the primary government payer for ALL long-term care, uses the DC Living Wage to calculate reimbursement rates for Medicaid providers.**

- In 2013 the DC Living Wage at \$13.40/hour was **62% higher than the DC Minimum Wage** at \$8.25/hour.
 - By 2021, the DC Living Wage at \$15.20/hour was **exactly the same** as the DC Minimum Wage, also at \$15.20/hour.
 - On January 1, 2022, the DC Living Wage increased to \$15.50, meaning that **DC Home Health Aides, Certified Nurse Aides and Direct Support professionals can expect to see only 30 cents an hour more in their paychecks in 2022.**
- Direct care workers support the vast array of needs of our most vulnerable residents. The work requires significant training, passing an exam, continuing education and oversight by regulators. Yet, **direct care workers are paid less than other allied health workers and non-health sector workers who need less training and have less responsibility.**ⁱⁱⁱ

Community Health Worker	\$26.12/hour
Bank Teller	\$21.00 per hour
Amazon warehouse workers	\$19.00 per hour
Dog walker	\$18.24 per hour

- Based on calculations by Massachusetts Institute of Technology (MIT) and Bureau of Labor Statistics (BLS), **a real Living Wage for DC in 2022 should be \$22 an hour.**^{iv}
- **Using a real Living Wage to calculate provider reimbursement rates** and adjusting it annually based on inflation would not only address the workforce crisis, but it **would also address historical discrimination against and disinvestment in a workforce composed primarily of black and brown women and immigrants.**
- **ARPA**, the American Rescue Plan funds distributed to states by the Federal government, **provides an immediate pathway to make significant increases in the pay of direct care workers thus strengthening home and community-based services for seniors and people with disabilities -- the very purpose of this federal program.**
 - At least 28 other states are using ARPA funds to raise wages for direct care workers (in addition to one-time bonus and retention payments). For example, New Jersey is using ARPA funding to raise wages for direct care workers to \$23 per hour.
- **DC's Medicaid program is eligible for ~\$88 million in federal ARPA funds that must be spent by March 2024.** If expended on Medicaid reimbursable costs, these funds

can be used one time to draw down an additional \$61.6 million in federal funds for a total of \$149.6 million.

- It is estimated that raising the Living Wage for all direct care workers to a real livable wage would cost the District approximately \$36 million in local funds. **If DC used its HCBS ARPA fund allocation, it could easily fund this wage increase through March 2024, the current deadline for expenditure of these funds.**^v
- Although improvements in the cost and content of training, and in creating career ladders for increased pay will increase the attractiveness of direct care worker jobs, **none of these improvements will increase recruitment and retention UNLESS direct care worker wages are increased well above minimum wage.**
- **NOW is the time for the District to raise provider rates to ensure payment of a Living Wage to direct care workers of \$22 an hour** and ensure that such rates are adjusted annually for inflation.

Endnotes

ⁱ District of Columbia, State Plan on Aging, 2019-2022, District of Columbia Department on Aging and Community Living, https://dacl.dc.gov/sites/default/files/dc/sites/dacl/page_content/attachments/DACL%20State%20Plan%20on%20Aging_0.pdf.

ⁱⁱ Investments include: two new assisted living communities, a new PACE center, a new adult day health center, two new urgent care clinics, and a new community hospital and an ambulatory care center, among others.

ⁱⁱⁱ See Table A, Comparison of XXXXX

^{iv} According to MIT, the Living Wage for Washington DC in 2020-2021 is \$20.12. MIT Living Wage Calculator for the District of Columbia 2020-2021, <https://livingwage.mit.edu/states/11>. According to the Bureau of Labor Statistics, the CPI-U increased 5.8 percent over the 12 month period ending in November 2021. Thus, adjusted for inflation, the Living Wage for DC should be \$21.89 as of November 2021. We have rounded up to get to \$22/hour. See https://www.bls.gov/regions/mid-atlantic/news-release/consumerpriceindex_washingtondc.htm.

^v DHCF's current ARPA plan calls for one-time investments of over \$30 million to support direct care workers. However, the vast majority of these funds are allocated to one-time recruitment and retention bonus. Such one-time bonus payments are insufficient to support revitalizing a pipeline of new workers or entice existing workers to stay on the job.