**$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.[[1]](#endnote-1)
	+ **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.[[2]](#endnote-2)**

* + 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**.[[3]](#endnote-3)

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**.[[4]](#endnote-4)
* **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.[[5]](#endnote-5)**
* 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**

1. 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. [↑](#endnote-ref-1)
2. 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. [↑](#endnote-ref-2)
3. See Table A, Comparison of XXXXX [↑](#endnote-ref-3)
4. 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>. [↑](#endnote-ref-4)
5. 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. [↑](#endnote-ref-5)