

Direct Support Workforce Stabilization Act

2023 Legislative Session

Talking Points

On 7-1-2021 in New Mexico, there were 4,200 individuals with intellectual and developmental disabilities (IDD) on waiting lists for the Medicaid services they need. To address this pressing challenge, the state has embarked on an ambitious effort to spend \$75 million to eliminate waiting lists for Medicaid waiver services by 2024. However, current Medicaid waiver enrollees already face significant challenges accessing the services they need because of the direct support professional (DSP) workforce crisis in New Mexico.

DSPs provide essential supports to people with IDD, including habilitation services, employment assistance, and other supports to people with intellectual and developmental disabilities. These supports enable people with IDD to live with dignity and independence in the community, instead of costlier, more restrictive residential settings. Despite DSPs' important role, they are typically paid low wages, have limited access to benefits, and experience other job quality challenges. The resulting recruitment and retention challenges have been exacerbated by high inflation and tight competition to attract workers in the labor market. As a result, workers are leaving the field in droves, and the vacancies they leave behind are exceedingly difficult to fill.

To stabilize this workforce—and improve care for people with IDD—the state must move swiftly to invest in DSP wages and service delivery overall.

The DD Waiver Workforce Stabilization Act addresses the present workforce crisis by establishing a competitive base wage for Direct Support Professionals, addresses compaction between DSPs and the other essential positions integral to the DD system, allocates \$8.4 million in new funding to providers under Medicaid IDD programs, and creates a new data collection system.

- The Direct Support Workforce Stabilization Act will help DD Waiver providers recruit and retain an adequate DSP workforce by establishing a base wage of at least 150% of the highest minimum wage in New Mexico (accounting for local, state, and federal minimum wage laws). This base wage would rise commensurately with any future changes in Medicaid hourly reimbursement rates and would be enforced through a simple provider attestation developed by the Department of Health in collaboration with providers, workforce advocates, and other community partners. Beyond paying the base wage, providers would have flexibility in how they allocate additional funds, allowing them to invest in higher wages for other workers, expand their benefits offerings, and afford the other costs of doing business in New Mexico.
- To ensure the base wage reflects the changing policy landscape and provider fundings needs over time, this legislation requires the Department of Health to formally pursue state funding and higher reimbursement rates that account for 1) the rising cost of living, 2) any changes in the local, state, or federal minimum wage, and 3) funding shortfalls as determined through future rate analyses and unfulfilled budget requests.
- To measure progress over time, this legislation requires the state and providers to participate in a staff stability survey, which will include questions about workforce volume (e.g., employment numbers by job type and full-time versus part-time staff); stability (e.g., recruitment, retention, turnover, and job vacancies); and compensation (e.g., hourly wages and availability of benefits). The state would be required to publicly report these data for New Mexico.
