**Person First Adult Foster Care and Supported Living Provider Coalition Position**

**Statement on Michigan’s Current Behavioral Health System April 21, 2025**

**About Us and Background Information**

Person First Coalition is a network of individuals with a vital interest in the accessibility, safety, and inclusivity of adult foster care and supported living housing and services within Michigan. We are a group of both experienced and new providers, along with additional stakeholders, directly impacted by the nature of our current housing system.

Our mission is to heighten awareness of the ethical crisis related to accessibility of housing and quality direct care services in Michigan. We strive to develop potential solutions through the lens of the provider. This coalition shares a wide range of experiences that span multiple generations, serving thousands of adults with disabilities representing the entirety of Michigan’s mental health system.

Our coalition recognizes the need for continual improvement in our behavioral health system and that we must work together for the benefit of the individuals served. Our focus includes providing common sense bipartisan solutions, educating our elected representatives and advocating for real and lasting change. Our ultimate goal is to enhance the lives of the people we passionately serve through advocacy, partnership and education.

**Urgent Needs**

Michigan has experienced a marked decline in accessible housing for persons with disabilities. In addition to the decline in accessibility, there continues to be a crisis in attracting and retaining direct care workers. Michigan is currently estimated to have a shortfall of 36,000 workers within the direct care workforce. Despite significant increases in pay rates for Michigan workers, there continues to be a need for a more skilled workforce to address the many challenges related to caring for vulnerable adults.

As providers contracting with multiple Community Mental Health Services Programs (CMHSPs), we experience Medicaid inefficiencies that negatively impact the service system and often divert funding for direct care staff. Change is necessary to enhance the overall funding directed to the person served rather than paying for inefficient and otherwise unnecessary services.

**Current System**

Currently, Michigan’s Department of Health and Human Services (“MDHHS”) contracts with 10 Prepaid Inpatient Health Plans (PIHPs) that oversee 46 Community Mental Health Services Programs (CMHSPs) in the state. The CMHSPs seek out and contract with Adult Foster Care and Supported Living provider when there are providers that are not directly associated with the CMHSP. Typical services delivered in Adult Foster Care and Supported Living settings include (but are not limited to) Community Living Supports and Personal Care.

Historically, Michigan has been on the forefront and innovative in terms of change in the mental health field. As deinstitutionalization was implemented in the 1970’s, some providers listed in the coalition were part of the pilot programs for community integration during that time. Adult Foster Care (AFC) homes have enabled individuals with disabilities to live more independently and in settings where they can achieve meaningful lives as part of a community. Adult Foster Care homes and Supported Living also provide a more economical way to care for the individuals served in comparison to the hefty costs incurred by state institutions.

Currently, there is an accessibility crisis in the AFC and Supported Living industry. There are barriers to entry issues, a continuing workforce crisis and funding concerns that threaten the stability and sustainability of this vital community service. We face a crossroads where change will be necessary to maintain a healthy provider network for the individuals served and to reduce the number of individuals misplaced in jails, hospitals, homeless shelters and hotels that should be served in our programs.

**Position**

Person First Coalition encompasses a provider network that spans multiple generations, thousands of individuals served and the entirety of the mental health system in Michigan. It is no secret that we are passionate about funding our programs. We believe that our most vulnerable citizens deserve quality care from professional and well-trained individuals. Many Michigan families are in some way impacted by the Adult Foster Care and Supported Living industry. Providers perform a critical service that is fundamental to the success of all persons in need of supports.

Our current Position:

1. We need to reduce unnecessary or duplicated oversight within the behavioral health system with the idea of mainstreaming information through a reliable source with uniformity. Goals should include creating an understandable and accessible universal contract standard and promoting the standardization of policies, rules and obligations related to the providers as well as the Community Mental Health Services Programs.

We have many flaws in our current system, and there is an urgent need for an overhaul to combat the ethical crisis of accessibility to quality service. The largest fundamental flaw is the overloaded, inflated system that inevitably results in substantial inefficiencies and missed opportunities. Currently, some of our providers are thwarted by excessive oversight with very confusing, unclear contractual and policy differences among the CMHSPs, creating an abundance of overwork and opportunity costs.

The inefficiencies within the system create more pathways for funding to be distributed unnecessarily rather than expended on services to the person supported. Additionally, there is a significant conflict of interest when it comes to the oversight of these systems. We also need to reduce barriers to entry for new providers as the complexity of the industry creates serious challenges for new providers.

2. Professionalization of the direct care workforce and provider workforce includes additional training, potential licensure and the reimbursement of a living wage for Direct Support Professionals (DSPs). This may include training at the state level, utilization of programs such as VoTech and community colleges.

While we are experienced providers who have seen quality, courage, determination and professionalism from many of our staff members, the discouraging reality is that direct care is still treated as an entry level job. Direct Care Professionals care for our state’s most vulnerable citizens. There is no level of mastery requirement in this state and minimal accessibility to quality training.

While we have standards for training through vetted programs, there is still a disconnect in the level of training and the overall seriousness of the position. There are some homes which pass 20-30 medications daily for each individual resident, making medication management a very serious potential liability for the AFC providers. Staff members should also be highly trained in responding to aggressive and challenging behaviors which may occur on a routine basis.

Direct Support Professionals in Michigan enter the industry at a starting wage of approximately $16.00 an hour for a job that requires physical and mental strength and endurance. Currently there is a need for approximately 36,000 additional caregivers in our state. Factors directly impacting this staffing shortage are low wages, lack of benefits, insufficient training and high turnover rates. These workers deserve a professional title, professional treatment and assistance with education. In addition, the person served deserves to have quality services delivered by someone with a level of mastery and accountability that supports the challenging nature of their duties.

Our Direct Support Professionals (DSPs) support individuals served with their daily needs and teach them how to become thriving and contributing members of society. Providers have observed staff members teach individuals served on how to be a good employee, and then transport them to jobs where t the individual served earns more than the DSP.

With our current financial constraints, compensation for Direct Support Professionals comprise an excessive percentage of an organization’s total revenue. This lack of funding creates barriers for providers to pay for benefits, bonuses or raises from year to year. Overtime expenses and expenses related to turnover costs have overwhelmed providers especially in the past few years and arguably reflect some of the most inefficient expenditures of funding in our industry.

Many times, the state allowance for rental income is not paid to providers as there are many barriers to collecting these funds. Rental income is necessary to maintain a nice home with no health and safety concerns. Rental income is supplemental to the daily rate but is extremely important in terms of maintaining the residence of the individuals served.

In order to ensure that our tax dollars are expended efficiently we need to trim the administrative oversight and increase wages for DSPs. Increasing wages and training for DSPs will enhance the quality of care for the individuals served and create a thriving provider network which is essential to solving our current housing crisis.

3. Reduce barriers to entry for new providers, creating educational programs to assist with the development of new AFC homes. Adding to our existing provider network will help with accessibility and choice for persons served.

Providers have a strong desire to partner with the CMHSPs. There must be a real partnership in order to create meaningful and lasting change. This partnership should include identifying areas to reduce barriers to entry for new providers. This could include creating or using existing educational/consulting programs that can assist with provider quality, especially for those that are struggling. Funding assistance with private programs that enhance quality may be necessary to assist with the many layers of bureaucracy that plague the industry.

The ultimate goal for both the provider and the CMHSP should be to provide quality and accessible services to individuals with disabilities. Unfortunately, there is no incentive for the PIHP or the CMHSP to pay for these services due to their financial constraints. We are seeing a narrowing in accessibility due to reductions in the PIHP or CMHSP funding.

The reality is that the provider reduces costs compared to state institutionalization, reduces barriers for persons with disabilities and increases community inclusion for those served. We are a highly beneficial community service that is facing a significant and unnecessary crisis.

4. Reduce potential for conflicts of interest within the governing bodies.

In our current system, the local Office of Recipient Rights (ORR) that is required to uphold the Michigan Mental Health Code functions within the CMHSP. Unfortunately, because the ORR is employed by the CMHSP, there is the potential ORR employees could face issues/concerns when holding individuals within the CMHSP system accountable. As a way to move in the direction of more accountability, we maintain the position that the Office of Recipient Rights should have an alternative oversight mechanism to reduce these potential conflicts.

Additionally, we are observing increases in administrative units within the PIHPs when there is a financial deficit in their region. Providers lack funding to keep up with cost of care increases from year to year due to these financial deficits; however, the bureaucracy is continuing to grow. AFC homes are shutting down because cost barriers and the lack of staffing are too great to maintain their program. We need for this situation to change quickly before there is a further collapse of the supports and services, as well as housing, available to individuals with disabilities.

**Conclusion**

Michigan is confronting a critical shortage of adult foster care housing as well as supported living arrangements and direct care workers. This crisis jeopardizes the well- being of our most vulnerable citizens. These challenges demand immediate and sustained legislative action to ensure that individuals with disabilities and older adults receive the care and support they deserve.

We need to recognize and work at changing the current housing crisis due to the increase in individuals requiring care. By 2040 residents in Michigan who are 75 or older are projected to rise by 62%. Many of these individuals would benefit from the availability of well-trained Direct Support Professionals and community-based AFC homes as well as other housing options. Without strategic investment and planning, Michigan will not be able to sustain access for people with high care needs. There is a need for increased investment while simultaneously demanding efficiency and effectiveness within Michigan’s mental health system.

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