



NEW MEXICO
CAREGIVERS
COALITION



June 29, 2020

Sharilyn Roanhorse-Aguilar
Bureau Chief, Exempt Services and Programs Bureau
New Mexico Human Services Department
2025 S. Pacheco P.O. Box 2348
Santa Fe, NM 87504

Dear Ms. Roanhorse-Aguilar:

We, the undersigned organizations, write in response to the New Mexico Human Services Department's (HSD) draft amendment to adjust reimbursement rates under the state's Developmental Disabilities Waiver Program (NM.019.06.02), which would take effect October 1, 2020. This amendment was drafted in response to a 2019 rate study performed by Public Consulting Group, Inc. (PCG) and the state's draft waiver application.

We commend HSD, PCG, and everyone involved in the decision to include a \$15.00-per-hour base wage for direct support professionals (DSP) in the rate study's calculations. These essential workers support people with intellectual and developmental disabilities to live with dignity and independence in the setting of their choice. DSPs provide a range of crucial services to their clients and residents, including career coaching, support with community integration, assistance with activities of daily living and much more. Unfortunately, despite their value, direct support professionals earn poverty-level wages, which makes it difficult for workers to make ends meet and drives many of them away from this sector, at a critical time in our state. Higher compensation would promote recruitment and retention in this sector and help boost our economy.

Unfortunately, while the wage study and the proposed amendment include funding for a base DSP wage of \$15 per hour, the draft 1915(c) waiver amendment lacks specific measures that would guarantee that workers actually receive that wage. Notably, the amendment does not require employers to pay workers higher wages at all. Additionally, without auditable annual wage data from employers, it will be impossible to discern whether the wage levels of DSPs increased as a result of this policy change.

Guaranteeing a \$15.00-per-hour wage for DSPs would correct a longstanding inequity: these workers have been historically underpaid and undervalued. In the past decade, inflation-adjusted wages for DSPs stagnated, from \$10.90 in 2009 to \$10.92 in 2019, even as demand for their services increased (Table 1).¹ Wages were low across the state as well, from \$9.84 in Las Cruces to \$12.94 in Santa Fe.

These low wages, combined with the part-time schedules of many DSPs, mean workers typically earn median annual earnings of \$12,700. Sixty-four percent live in low-income households (below 200 percent of the federal poverty line) and 66 percent rely on some form of public assistance. Also, many workers have no health insurance or paid sick leave, and they often face additional barriers related to childcare, transportation, and family caregiving.

Inadequate compensation for these workers perpetuates the racial and gendered systemic challenges facing a workforce in our state that is comprised largely of women and people of color. In New Mexico, 82 percent of DSPs are women and 81 percent are people of color— including 58 percent who are Hispanic or Latino (See Table 1).

Table 1: New Mexico’s Direct Support Workforce									
Median Hourly Wage (adjusted for inflation), 2009 to 2019			Projected Job Openings, 2016 to 2026	Demographic Characteristics, 2017					
2009	2019	Change,		Female	White	Black	Latinx	Asian or Pacific Islander	American Indian, Native American, or Other Race
\$10.90	\$10.92	\$0.02 (0.18%)	66,200	82%	19%	1%	58%	1%	20%

Sources: [PHI Workforce Data Center](#), New Mexico Caregivers Coalition; O*Net online data retrieved June 22, 2020. Direct support professionals do not have their own occupational code. In this table, aggregate data for the two occupational categories where DSPs are most often classified (personal care aides and home health aides) were used instead.

State of New Mexico Department of Health, Developmental Disabilities Supports Division, [Rate Recommendation Report](#), Public Consulting Group, Inc: June 2019.

¹ Data from the U.S. Bureau of Labor Statistics do not classify direct support professionals in their own Standard Occupational Classification code. Throughout this report, the two occupational categories where DSPs are employed (personal care aides and home health aides) are used instead.

Higher wages are also necessary because DSP services have become more vital since the COVID-19 pandemic began, especially in preventing social isolation among people with intellectual and developmental disabilities. In many cases, DSPs are the only people allowed to visit their clients. Even family members are being asked to avoid in-person contact with their loved ones with disabilities. Yet, to fulfill their roles, DSPs (many of whom might be older or have comorbidities of their own) are asked to risk their health and their lives to assist consumers, often without hazard pay, proper personal protective equipment, or adequate support from their employers.

DSP wages will likely improve in the years ahead as the state gradually implements a new minimum wage for all New Mexico workers of \$12.00 per hour by 2023. However, the rising minimum wage will also inadvertently contribute to greater competition among providers and employers in other industries to attract and retain workers. Already, many DSPs are leaving their positions for jobs in fast food, retail, or the gig economy—especially where these jobs are paired with higher compensation, better hours, more on-the-job support, and arguably, safer and less demanding work. Employers also bear the cost of an unstable workforce: the approximate cost to employers for every direct care worker who leaves her job is \$2,500.²

Without intervention, high turnover paired with rising demand for services will worsen the workforce shortage. From 2016 to 2026, PHI's research shows that there will be an estimated 66,200 DSP job openings in New Mexico, including 13,110 openings due to growth in demand and 53,090 openings created by workers leaving the field for other jobs or leaving the labor force altogether. A higher wage for DSPs would improve retention and reduce the likelihood of widespread DSP shortages.

Better wages for DSPs would also boost New Mexico's economy.³ A Washington State analysis from 2016 found that a \$15.00-per-hour minimum wage for state-paid home care workers would help workers cover their basic needs, provide at least \$180 million in annual stimulus to the state economy, and create more than 800 private sector jobs in the first year of implementation.⁴

To note, the efficacy of any wage pass-through provision is contingent on strong enforcement mechanisms and robust data collection. As stated earlier, HSD should require providers to report auditable DSP wage data on an annual basis. This requirement would compel providers to adhere to wage pass-through provisions and fill a critical gap in data. On the latter, there is no federal occupational code for DSPs and the last extensive study on DSP wages in New Mexico was conducted in 2002. To describe the challenges facing this sector, advocates, researchers, policymakers, and others often rely on insightful but less accurate proxy data

² <https://phinational.org/wp-content/uploads/legacy/clearinghouse/TOCostReport.pdf>

³ NELP, *Giving Caregivers a Raise*, February 2015. Retrieved on 3/15/19 from <https://www.nelp.org/wp-content/uploads/2015/03/Giving-Caregivers-A-Raise.pdf>

⁴ Washington State Budget & Policy Center, *How Raising Incomes for Low-Wage Workers Boosts the Economy: A Study of Washington State's Home Care Workforce*, September 2016. Retrieved on 3/15/19 from https://static.budgetandpolicy.org/how-raising-incomes-for-low-wage-workers-boosts-economy/pdf_version

(including the data used in the PCG rate analysis and this letter). Tracking DSP wages over time would provide a more complete picture of their job realities and lead to more accurate reimbursement rate-setting in the future.

We, the undersigned organizations, believe that provider rate increases without commensurate wage increases for DSPs would fall short of what workers and their clients need, now and in the future. Ensuring a \$15.00-per-hour wage for DSPs would stabilize the workforce, provide widespread economic benefits and help ensure high-quality care for people with intellectual and developmental disabilities throughout our state.

Sincerely,

The ARC of New Mexico

The Disability Coalition

El CENTRO de Igualdad y Derechos

Encuentro

Heart is Home Cooperative Care

Interfaith Worker Justice

Lutheran Advocacy Ministry

National Domestic Workers Alliance

National Employment Law Project

New Mexico Caregivers Coalition

New Mexico Center on Law and Poverty

Organizers in the Land of Enchantment
(OLÉ)

PHI-National

Prosperity Works

Strong Families New Mexico - Forward
Together

New Mexico Caregivers Coalition advocates for direct care workers' education, training, benefits, wages and professional development so they may better serve people who are elderly and those with disabilities.

PHI works to ensure quality care for older adults and people with disabilities by creating quality jobs for direct care workers.