

FACT SHEET

Report on Salary Levels and Their Impact on Quality of Care for Client Contact Workers in Community-Based MH/MR Programs

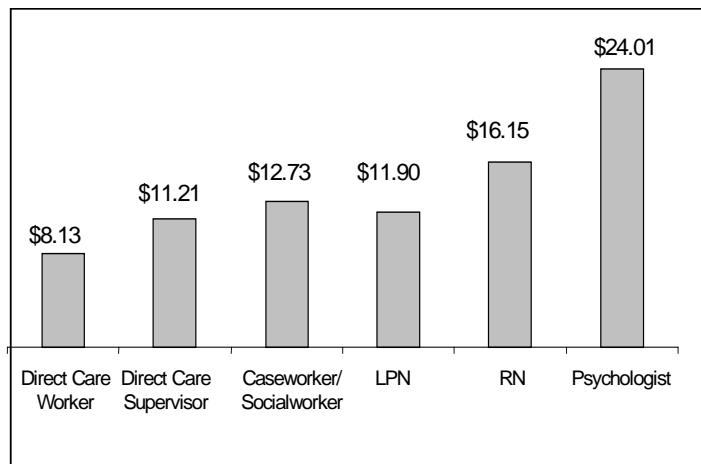
House Resolution 450 calls on the LB&FC to update its 1989 study on salaries paid to client contact workers in community-based mental health and mental retardation programs and the impact such salaries have on quality of care. Questionnaires were sent to all licensed private MH/MR community-based provider organizations (except early intervention and inpatient hospitalization programs), with a 45% return rate. Information was collected on a total of 25,925 client contact workers, including 19,759 direct care workers.

Findings:

Average salaries for client contact workers in MH and MR community-based programs ranged from \$8.13/hr (\$15,854 annually) for direct care workers to \$24.01/hr for psychologists. Many (22%) direct care workers earn less than \$7.00/hr, which places them below the federal poverty guidelines for a family of three (\$13,650). In contrast, direct care workers in state facilities earn an average of \$14.50/hr, or \$28,275 annually.

Average wages for direct care workers have increased by about 47% since mid-1988, from \$5.54/hr to \$8.13/hr. This compares favorably to the CPI, which increased 38% between July 1988 and July 1998.

Direct care workers in community living arrangements for persons with mental retardation—who comprise 50% of the direct care workers in our survey—earn an average of \$7.67/hr, the lowest average wage of the 16 service settings included in the study. Average salaries were highest for direct care workers in MH outpatient (\$15.92/hr) and MH partial hospitalization (\$10.72/hr) settings.



Almost all MH/MR provider organizations provide an attractive benefits package for their employees, including paid vacations, paid sick leave, and employee health care benefits. Other benefits, such as group prescription, dental, and family health care plans, are often available, but often the employee must pay some or all of the cost.

Turnover rates are highest for the direct care worker position, with an overall average turnover rate of 42%. However, turnover rates appear to be no worse than they were in 1988 and may even have improved modestly.

A weak, but statistically significant, correlation exists between direct care worker salaries and turnover rates. However, salaries appear to explain only about 16% of the variance in turnover rates. Other studies also typically find that salaries are only one of many factors affecting employee turnover.

MH/MR provider suggestions made to improve the compensation package for direct care workers include:

- **Target funds to increase direct care worker salaries.** The report discusses legislation passed in Michigan to provide salary increases to community-based MH/MR workers.
- **Educational reimbursement or forgiveness.** Such programs exist for childcare professionals and for teachers who work in urban and rural public schools.
- **Ensure that COLAs and any savings resulting from de-institutionalization are passed on to community providers.**
- **Expand the MA Home and Community-Based Waiver.** This would increase federal funds to community-based programs, which could then be used to fund salary increases.
- **Relax regulations and categorical funding requirements.** Several providers believe this would allow them to spend funds more efficiently, thus freeing up money to fund salary increases.