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HCAM Urges Governor Whitmer to Preserve Long-Term Care Workforce Funding

LANSING, MI - The Health Care Association of Michigan (HCAM), representing skilled nursing facility providers across the state, is urging Governor Gretchen Whitmer to protect critical workforce funding that supports caregivers serving Michigan's seniors and most vulnerable residents.

"A last-minute decision during last week's state budget negotiations cut part of the funding that helps nursing facilities pay higher wages to caregivers," said HCAM President and CEO Melissa Samuel. "Going forward, the funding will only cover workers caring for Medicaid residents, making it difficult for nursing facilities to absorb the cost of caring for residents who pay privately or have other insurance."

The state budget bill — Senate Bill 878 — cuts \$73 million annually from wage funding for key staff including registered nurses, licensed practical nurses and nursing assistants in skilled nursing facilities.

"Michigan has made meaningful progress in rebuilding the long-term care workforce through targeted wage investments," said Samuel. "Eliminating a significant portion of that funding now risks reversing those gains, making it more difficult to recruit and retain caregivers at a time when demand for skilled nursing services is increasing as the state's population ages."

The funding reduction could have several significant consequences, including:

- Increased financial pressure on skilled nursing providers already operating under tight margins.
- Reduced ability to recruit and retain direct care workers and other essential staff.
- Greater workforce shortages as Michigan's aging population drives unprecedented demand for long-term care services.
- Another layer of red tape to manage with this new, complex formula for paying worker wages.
- It will be nearly impossible for nursing facilities to absorb the loss of wage funding with only one or two budget cycles to prepare.

HCAM is asking Governor Whitmer to veto a section of the budget bill which directs the Michigan Department of Health and Human Services (MDHHS) to discontinue General Fund support for wage funding associated with non-Medicaid resident days.

"If eliminating the funding ultimately proves necessary because of broader state budget constraints, we request that the reduction be phased in over two to three years rather than implemented immediately," Samuel said. "A gradual transition would allow providers time to adjust budgets, reduce disruption to employee wages and preserve access to quality care for residents."

The association also calls on MDHHS to work collaboratively with providers to implement any funding changes in a way that minimizes disruptions to employee compensation, facility operations and resident care.

"Michigan's skilled nursing facilities remain committed to providing high-quality care for residents across the state," Samuel said. "We look forward to working with the Governor, the Legislature and MDHHS to develop solutions that protect caregivers, safeguard resident care and maintain the stability of Michigan's long-term care system."