

S T A T E O F M I C H I G A N

BOARD OF COMMISSIONERS OF THE COUNTY OF ALLEGAN

**BOARD OF COMMISSIONERS—SUPPORT ONPOINT'S RESOLUTION ON  
PROPOSED WASKUL SETTLEMENT**

**WHEREAS**, on June 18, 2024, the Community Mental Health Authority passed a resolution in opposition to the proposed Waskul Settlement, and;

**THEREFORE, BE IT RESOLVED**, that the Allegan County Board of Commissioners supports the attached resolution as written.

DRAFT



(DBA for Allegan County Community Mental Health Authority)

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## RESOLUTION OF THE ONPOINT BOARD OF DIRECTORS ON THE PROPOSED WASKUL SETTLEMENT

The Board of Directors of OnPoint, in a meeting of the Board of Directors that was duly noticed, called, and at which a quorum was present to conduct business and which was held on June 18, 2024, hereby takes the following actions and resolutions regarding the proposed settlement of the **Waskul, et al. v. Washtenaw County Community Mental Health, et al.** suit (Waskul):

**WHEREAS**, OnPoint has for years, individually and through the Community Mental Health Association of Michigan (CMHA), urged the Michigan Department of Health and Human Services (MDHHS), our state legislators, and others to fix Michigan's chronic underfunding of the public behavioral health system; and,

**WHEREAS**, OnPoint fully supports additional funding going to the public behavioral health system as that funding is critically needed; indeed, Michigan has been facing a direct care worker (DCW) crisis for years, and the low wages DCWs continue to receive are a primary challenge for recruiting and retaining direct care workers for CMHs and our networks of contracted agencies; and,

**WHEREAS**, in the public behavioral health context, DCW wages are a product of the funding that the State of Michigan and MDHHS provide for a specified Medicaid service; and,

**WHEREAS**, DCWs are the front line worker for a variety of public behavioral health services, including community living supports (CLS) services, and DCWs work for individuals who self-direct their CLS services as well as agency providers; and,

**WHEREAS**, agency providers of CLS services are the backbone of the public behavioral health system for CLS services and OnPoint, as a CMH, is obliged to ensure an adequate and sufficient network of agency providers for CLS services; and,

**WHEREAS**, when local CMHs receive crisis calls from the community, hospital, law enforcement, or others, and an emergency community placement is needed for that individual's condition, OnPoint and our contracted agency providers are the organizations who step in to ensure that such individuals receive the care they need in the least restrictive environment; and,

**WHEREAS**, when individuals are eligible for CLS services but do not have the ability to navigate the complex Medicaid system or serve as their own employer of record in Self-Directed arrangements and do not have the family or other support to serve in that role, then OnPoint and our contracted agency providers are the ones who ensure that those individuals receive CLS services to remain in the community; and,

**WHEREAS**, there is a very tight labor market for DCWs, any short-sighted disturbance of this labor market in favor of a particular service or provider will eventually have unhelpful system- and state-wide consequences, which is why OnPoint and CMHA push for pay increases for all DCWs with support of legislative appropriations; and,

**WHEREAS**, OnPoint cares about every single service recipient and does not wish to see any group of individuals disadvantaged by the very limited scope of benefit that will result from the proposed settlement; and,

**WHEREAS**, OnPoint's board applauds MDHHS's apparent willingness to offer additional funding for CLS service workers in the proposed settlement, but holds that the terms of the settlement are not good public policy and will have negative consequences for the part of the public behavioral health system operated by OnPoint; and,

**WHEREAS**, MDHHS's current funding supports a CLS hourly rate of approximately \$20.50, the proposed settlement will increase that rate to \$31.00 per hour for FY2025 and higher after that, but only for the minority of individuals under the state's Medicaid Habilitation Support Waiver who self-direct their CLS service; and,

**WHEREAS**, in limiting additional funding to those individuals on the Habilitation Supports Waiver who self-direct their CLS service, MDHHS will skew the labor market away from agency providers – the backbone of the system – towards self-directed arrangements, causing CLS providers to move toward the more lucrative positions, and de facto increasing the going rate statewide for CLS services to \$31.00 per hour; and,

**WHEREAS**, OnPoint anticipates that the proposed Waskul settlement will result in not only the loss of DCWs but also the loss of lower level provider agency management staff who will also earn more as DCWs than as managers for CLS services in self-determination arrangements; and,

**WHEREAS**, the proposed Waskul settlement will disadvantage far more individuals than it helps, and that the individuals we serve who will be disadvantaged will include a disproportionate number of people who are older, are ethnic minorities, are from less affluent families and are without family or other support systems; thus, they are among the most vulnerable clients OnPoint serves; and,

**WHEREAS**, to increase the payment of OnPoint's Self-Determination services to \$32.00 per hour would result in a 56% increase (of \$272,000) to OnPoint's direct costs, and to increase the payment of all community based CLS services to \$32.00 per hour to prevent workforce discrepancies would result in a 25% increase (of \$929,000) to OnPoint's direct costs; and,

**WHEREAS**, in the proposed Waskul settlement, MDHHS proposes changes to the public behavioral health system that present a substantial risk for financial and workforce damage to OnPoint's CLS provider agencies; and,

**WHEREAS**, the proposed Waskul settlement would increase the risk borne by OnPoint and its regional Pre-paid Inpatient Health Plan (PIHP), the Lakeshore Regional Entity, in its MDHHS contract; and,

**WHEREAS**, in the proposed settlement MDHHS favors the "haves" over the "have-nots", it is the opinion of the OnPoint Board of Directors that this is wrong.

**NOW, THEREFORE BE IT RESOLVED**, that the OnPoint Board of Director opposes the proposed Waskul settlement because:

1. It does not consider the impact of the proposed settlement on the broader labor market of the increasingly scarce group of individuals that provide CLS services, and,
2. It does not fairly treat all members of the class of individuals that provide CLS services in that it narrowly focuses on CLS services provided by individuals under self-directed arrangements under HCBS waiver funding sources, though they constitute a mere 17% of the overall CLS workforce, and,
3. The proposed settlement does not obligate MDHHS to reflect the additional costs that would be borne over time by all PIHPs and CMHs in its capitated payments.

**RESOLUTION DECLARED ADOPTED**

Gale Dugan Date: 6-18-2024  
Gale Dugan, Board Chairperson

I hereby certify that the foregoing is a true and complete copy of the Resolution duly adopted by the OnPoint Board of Directors at a regularly scheduled meeting held on June 18, 2024, at which a quorum was present, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, 1976 P.A. 267 as amended, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Mark DeYoung Date: 6-18-2024  
Mark DeYoung, Board Secretary