

A RESOLUTION AUTHORIZING A PROVIDER EXEMPTION WAIVER FOR
CMH PROVIDERS WHERE FINANCIAL HARDSHIP WOULD BE INCURRED
BY PROVIDING PAY IN ACCORDANCE WITH WASHTENAW COUNTY LIVING
WAGE ORDINANCE

WASHTENAW COUNTY BOARD OF COMMISSIONERS

August 2, 2023

Prepared by: Brady Peck, Director of Operations

WHEREAS, on October 1, 2001, the Washtenaw County Board of Commissioners adopted a Living Wage Ordinance specifying that certain non-exempt County vendors must pay their employees a certain wage for contractual work done for the County; and

WHEREAS, effective May 1, 2023, the Living Wage rates are \$15.90 per hour for those County vendors who provide health care benefits to their employees and \$17.73 per hour for County vendors who do not supply such health benefits; and

WHEREAS, the Washtenaw County Community Mental Health Agency (WCCMH) annually contracts, through the County, to provide mental health services by a network of service organizations to meet the mandated and medically necessary services to Medicaid beneficiaries; and

WHEREAS, the mental health service providers have indicated that they are unable to comply with the County's Living Wage Ordinance because Medicaid reimbursement rates for the services provided to direct care workers is not high enough to permit the WCCMH vendors to pay such workers the required living wage rate; and

WHEREAS, on August 8, 2018, the County Administrator brought forth a formal provider exemption waiver process to the Board of Commissioners. The process was authorized by the Board of Commissioners in August 2018 and was updated in May 2021; and

WHEREAS, the process developed provides an opportunity for the Community Mental Health vendors to apply for an exemption of the Living Wage Ordinance; and

WHEREAS, on June 2, 2021 the Board of Commissioners hereby approved the request for exemption process from the Living Wage Ordinance, specifically those including the following services and/or CPT codes:

- Applied Behavioral Analysis –0373T, 97153, 97154
- Clubhouse Psychosocial Rehabilitation Program – H2030

- Community Living Supports – H2015, H2016
- Crisis Residential Services – H0018
- Peer Directed and Operated Drop-in Center
- Out of Home Non-Vocational Habilitation – H2014
- Out of Home Prevocational Service – T2015
- Overnight Health and Safety Supports – T2027
- Personal Care in Licensed Specialized Residential Setting – T1020
- Respite – H0045, S5150, S5151, T1005, T2036, T2037
- Skill Building Assistance – H2014
- Supported Employment – H2023

WHEREAS, the State of Michigan revised CPT codes and added code H2025 under Supported Employment; and

WHEREAS, there is a designated annual cycle from July 1 – August 15 for Providers to apply for, and potentially receive, an annual exemption that coincides with the WCCMH fiscal year; and

WHEREAS, the County Administrator is to make final recommendations to the Board of Commissioners for consideration and exemption approval after each annual exemption review cycle, but before the new fiscal year; and

WHEREAS, the listed providers demonstrated as part of the provider exemption process that to implement the Living Wage of \$15.90 or \$17.73 per hour for their direct care workers would cause an extreme financial hardship to their organization that is already managing the little resources available, and will impact the services provided to Washtenaw County CMH consumers who constantly need assistance for activities of their daily living; and

WHEREAS, this item has been reviewed by the County Administrator, Corporation Counsel, Finance, Human Resources, and the Board of Commissioners.

NOW THEREFORE BE IT RESOLVED the following providers are exempt from the Living Wage as the total amount of the contract or contracts with the County does not exceed \$10,000 during any 12-month period, thus do not meet the definition of “Contractor” as defined in Section 4.1:

- Behavioral Outcomes Management dba ExpertCare Management Services
- The Indian Trails Camp, Inc. dba IKUS Life Enrichment Services
- Community Work Opportunities (CWO)

BE IT FURTHER RESOLVED that the following providers meet the requirements for a natural exemption as provide in Sections 5.1 and 8.4 which states that the Ordinance does not apply to a non-profit contractor or non-profit grantee unless it employs or contracts with ten (10) or more individuals:

- Just Us Club

BE IT FURTHER RESOLVED that for the following providers Washtenaw Community Mental Health has had to place a few individuals, due to behavior issues, in residential settings that are out of county that specialize in unique behavioral challenges and are located in more secure and/or rural settings. All out of county providers are larger organizations that serve CMH clients statewide through physical locations across multiple counties. Clients are located at sites that best serve their individual needs.

- Prader-Willi Homes of Oconomowoc LLC
- Hope Network Behavioral Health Services
- Hope Network West Michigan

BE IT FURTHER RESOLVED that the County Administrator recommends that approval of an exemption from the Living Wage Ordinance for the following providers:

- Spectrum Community Services
- Renaissance Community Homes
- Creating Brighter Futures
- JOAK American Homes, INC.
- Full Life Independence
- Synod Residential Services

NOW THEREFORE BE IT RESOLVED that the Washtenaw County Board of Commissioners hereby accepts the recommendation from the County Administrator to approve an exemption from the Living Wage Ordinance for the listed providers for CMH fiscal year 2023/2024.