Preventing Workforce Crisis in Direct Support Services: Aligning SOC, Support Standards, and Medicaid Fund Distribution

Introduction

Medicaid is a taxpayer-funded program designed to provide essential healthcare and support services to individuals with disabilities. However, the distribution of Medicaid funds, particularly in workforce wages for direct support workers, lacks a structured and standardized approach. To ensure fair and effective allocation, the **Standard Occupational Classification (SOC)** system must be implemented nationwide as the primary framework for categorizing job duties in the support service industry.

A well-structured distribution system is crucial—just as an **IP address in an internet connection**, an **electrical grid supplying power**, or a **gas distribution network** ensures that resources reach the intended end users with fitness for purpose. However, **without a proper mainline connected to a structured distribution network, it is impossible to deliver energy with fitness for purpose to end users, but Medicaid is currently delivered to end users without a widespread SOC framework and the necessary follow-up support standards.** This results in Medicaid taxpayer funds **not being properly aligned with the job duties performed by direct support workers**, which negatively impacts service quality and workforce sustainability.

Medicaid Distribution: A Network of Resources

Medicaid, like any structured network, must follow a logical distribution process:

1. **Main Distribution Line:** In energy distribution, a **main power grid** or **main gas pipeline** carries energy from central sources to local networks.
2. **Local Distribution Network:** This network delivers energy to individual homes and businesses, ensuring supply meets demand.

Applying this model to Medicaid:

- The **SOC acts as the main grid**, defining broad occupational classifications for workforce structure.

- The **support service standards act as the local distribution network**, detailing job duties specific to different disability groups and ensuring accurate fund allocation.

However, unlike in energy distribution, **Medicaid is currently delivered without a structured local grid of support service standards**. This means that bureaucratic decisions, rather than standardized professional guidelines, dictate how funds are distributed—leading to inconsistencies and inefficiencies in Medicaid wage distribution.

Why National Job Duty Classification and Support Standards Are Essential for Medicaid Distribution

A standardized occupational classification system is necessary to **properly distribute Medicaid funds** in a way that matches the responsibilities of direct support workers. The **SOC system provides a structured approach** for:

✔ **Planning workforce wages** – Ensuring that wages align with actual job duties.

✔ **Executing fair fund distribution** – Preventing inefficiencies in Medicaid wage allocation.

✔ **Eliminating workforce disparities** – Addressing salary discrepancies and workforce shortages by aligning job descriptions with compensation.

✔ **Ensuring service delivery meets population needs** – Support standards help focus Medicaid funding where it is most needed.

SOC: The Backbone of Medicaid Wage Distribution, Support Standards as Local Grids

The **Office of Management and Budget (OMB)** maintains SOC classifications, ensuring definitions are broad and flexible. However, the SOC **does not specify the nuances of support services** provided to different groups (e.g., **veterans, individuals with IDD, work-related injuries**).

- **Example:** The SOC definition for **vocational rehabilitation job coaching** encompasses all types of disabilities, but it does not detail the specific needs of individuals with **Intellectual and Developmental Disabilities (IDD)**.
- **Support service standards fill this gap** by specifying job duties for different groups, ensuring that services are tailored effectively.

To ensure proper Medicaid fund allocation, both **SOC classifications and support service standards** must function together:

- **SOC = Main Grid** → Broadly defines occupations in the Medicaid-funded workforce.
- **Support Service Standards = Local Grid** → Specifies job duties, ensuring services meet the needs of different populations and that wages accurately reflect work performed.

Without **support service standards**, Medicaid wage distribution remains inconsistent and unreliable. Unlike energy grids, where power cannot be delivered with fitness for purpose without a proper local distribution network, Medicaid is currently **distributed inefficiently through bureaucratic processes rather than structured standards**, creating funding gaps and workforce instability. **Only by aligning SOC and support standards can we ensure that direct support workers are fairly compensated and services reach those who need them most.**

A Lens for Precision in Medicaid Workforce Wages

The **SOC system acts as a primary lens**, focusing broadly on occupational roles, while **support service standards function as smaller lenses**, refining and distributing Medicaid-funded services and wages in a precise, **equitable** manner.

- Without the SOC, **fund distribution lacks structure**, leading to inconsistencies in wages and service quality.
- Without support standards, **broad classifications fail to ensure fair Medicaid wage allocation for specific job duties**.
- Together, these frameworks ensure Medicaid wages reach direct support workers in a **proper and fair way**, avoiding workforce crises at the lowest levels of service delivery.

Conclusion: Preventing Workforce Crisis in Direct Support Services

By aligning **Medicaid workforce wages** with a structured **SOC and support service standards framework**, we can:

✔ **Ensure fair compensation for direct support workers**

✔ **Deliver Medicaid services in a sustainable, equitable manner**

✔ **Prevent workforce shortages and crises at the direct service level**

Implementing **nationwide SOC standards** for Medicaid wage distribution is not just a technical necessity—it is a critical step toward ensuring **sustainability, fairness, and effectiveness** in the direct support workforce. By treating Medicaid fund distribution like an **energy grid**, where broad networks (SOC) and targeted delivery systems (support service standards) work together, we can create a **reliable, structured system** that benefits both service recipients and workers alike.

Applicability Beyond Medicaid: A Broader Perspective on Government Funding for Support Services

All the above principles also apply to **other government-funded support services** for individuals with IDD and other vulnerable populations. Many publicly funded services included in the **SOC framework**—such as **social work, home and community-based services (HCBS), and rehabilitative programs**—face similar challenges in fund distribution and workforce stability. Implementing **SOC classifications and support service standards** across all government-funded support services can ensure a **fair, structured, and sustainable approach** to resource allocation, improving outcomes for both service providers and recipients.