

35 submitting testimony



**PHI** QUALITY CARE  
THROUGH  
QUALITY JOBS

**Testimony of Allison Cook  
New York Policy Manager**

**PHI**

**Joint Legislative Hearing**

**Health/Medicaid Budget**

**February 16, 2017**

Thank you for the opportunity to comment on the Executive Budget proposal. I am Allison Cook, New York Policy Manager at PHI, a national non-profit based in the Bronx. PHI works to transform eldercare and disability services by promoting quality direct care jobs as the foundation for quality care. Over the past 25 years, PHI has established itself as the nation’s leading expert on the direct care workforce through our research, policy analysis, and hands-on work with providers. We are affiliated with Cooperative Home Care Associates, a worker-owned home care agency that employs 2000 home care aides in the South Bronx, and Independence Care System (ICS), a New York City Medicaid managed care plan.

**Landscape**

As we all know, Medicaid is the largest payer for home care in New York State. Through the Medicaid program, home care aides provide the majority of hands-on care and support that enables older adults and people with disabilities to remain in their homes rather than entering a facility. Medicaid’s funding for home care services, thus, determines the wages, benefits, training, and other supports these home care aides receive – all of which impact the quality of care and quality of life of home care consumers.

Unfortunately, we are facing a home care workforce crisis. In many areas of the state, people are unable to find home care aides to provide the care they need – no matter whether they are paying out of pocket or through Medicaid. Our research shows that too many workers leave these jobs because of low wages, poor benefits, and limited opportunities to advance in their roles. The workforce shortage we’re seeing in New York will only get worse as demand intensifies due to the aging of our population.

As a state, it's important that we ensure home care aides are given the wages, training, and supports that attract them to – and keep them in – these jobs and enable them to provide quality care to older adults and people with disabilities. In my testimony, I will outline budget provisions that invest in home care aides and ensure that New Yorkers have access to quality home care.

## **Budget Proposals**

I will start by discussing a few proposals related to the structure of the system, and then move on to proposals that address the workforce shortage.

### *Structure of the System*

First, PHI strongly supports the Executive Budget proposal to create a Health Care Regulation Modernization Team. Current home care regulations were created for a fee-for-service health care system that no longer exists. Regulations should be updated to better enable home care agencies to function in our current and future health care environment, where cross-provider care management and information-sharing are imperative.

The state should also ensure that the Medicaid long-term care system is adequately financed. This can be done in two ways. First, the state should implement a high-needs rate cell or stop-loss program for home and community-based long-term care services. When plans are provided with the same rate for a client no matter their level of care, they are incentivized to enroll clients with low needs in order to maximize their profits. Creating a high-needs rate cell or a stop-loss program would remove this incentive and ensure care is provided to the New Yorkers who need it most.

Second, the state should establish a rate floor for home care providers, including personal care and consumer-directed services, to ensure employers receive at least the minimum necessary to pay wages that meet all state and federal labor requirements. Currently, the state calculates a reimbursement rate to pay the managed care plans, but does not require a minimum rate be passed along to providers. Until we move to a value-based system, current policy creates the potential for a race to the bottom, where agencies who accept the lowest rates – and therefore can invest the least in their workers – get the most contracts.

Finally, PHI recommends the creation of a home care advocate. Our experience has revealed that both workers who want to better understand their rights and providers who want to abide by the law find it difficult to do so due to frequent policy changes at the federal, state, and local levels. A public home care advocate, an entity or person who would function as an ombudsman, would ensure that workers and providers can navigate these rapidly changing legal requirements. Go to PHI's website at [phinational.org](http://phinational.org) to see our report on this topic, which includes a more detailed proposal.

### *Addressing the Workforce Shortage*

I will now move on to discussing a few proposals to address the workforce shortage.

First, we must ensure wages for home care aides are sufficient to attract and keep workers in the field. This can be done in two ways. First, the legislature should approve the Executive Budget

appropriation of \$241 million in the Medicaid budget to cover the increase in the minimum wage, which is necessary for home care agencies to be able to meet these requirements.

The second way to achieve this goal is to raise the base wage for home care aides above the minimum wage. Historically, though home care aide wages have never been adequate, they have exceeded the state minimum wage. This is no longer the case. Today, fast food workers are guaranteed a higher minimum wage than home care aides. If we want to ensure that our loved ones can access care in the community, we can't afford this situation. We must invest in better wages for home care aide. To attract and keep workers in the field, Medicaid funding should be sufficient to ensure home care providers can pay wages that exceed the state minimum wage or, at least, meet the wage floor set for fast food workers.

Additionally, to address the paid caregiver shortage statewide, the budget should designate funding for a landscape study on the direct care workforce. There's no denying we have a workforce crisis, but we have mostly anecdotal information. Funding should be allocated to conduct a statewide quantitative study of home and community-based direct care workers to determine how different areas of the state are affected by this crisis and how to address it.

The landscape study should be the first step in creating a direct care workforce data system that tracks issues such as vacancies, turnover, retention, training, and other workforce measures. This will enable New York to monitor workforce needs and determine when the state needs to intervene.

Finally, at the same time that the state is studying these issues, the budget should make funds available for pilot programs that address the workforce shortage. No single solution will solve the workforce crisis. But one way to begin addressing the crisis is to make funds available for pilot programs that test innovative solutions to recruit and retain home care aides.

## **Conclusion**

Thank you for the opportunity to testify before you today. PHI looks forward to working with you, other members of the State Legislature, and the Department of Health as we tackle the difficult challenges of building and retaining a quality home care workforce and providing quality home care to New Yorkers.

100