Testimony of Allison Cook
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Thank you for the opportunity to comment on the Executive Budget proposal. I am Allison Cook, New York Policy Manager for PHI (the Paraprofessional Healthcare Institute), a national organization 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 were originally founded out of, and continue to work closely with, Cooperative Home Care Associates (CHCA), a worker-owned home care agency. We have studied and advised home care delivery and the broader long-term care system in New York for many years, offering a unique 360-degree perspective on this system and our state. In my testimony, I will provide a brief overview of the home care landscape, and then discuss the impact of relevant budget provisions on the home care workforce and New Yorkers' access to high-quality home care.

Landscape

Home care workers provide the majority of hands-on care and support that enables older adults and people with disabilities to remain in their homes. In New York State, as with the rest of the country, Medicaid is the largest payer for home care services. The level of Medicaid funding for home care services therefore determines the wages, benefits, training opportunities, and on-the-job supports that home care workers receive. In turn, these investments in the workforce impact the quality of care and quality of life for home care consumers.

We are facing a home care workforce crisis. In many areas of the state, consumers are unable find home care workers to provide the care they need. In New York, the number of people aged 65 and older is projected to increase from approximately 2.6 million in 2010 to 3.6 million by 2040. Meanwhile, the number of working-age adults will decrease from approximately 10.5 million in 2010 to 9.9 million by 2040.[1] Further, PHI's research shows that many workers leave the home care field because of low wages, poor benefits, and limited opportunities to advance in their roles. Over the next few decades, as these trends continue, the workforce shortage in New York will worsen. As a state, it's important to invest in home care jobs in order to attract and retain workers and enable them to provide high-quality care.

Budget Comments

The following comments are organized into three sections: (1) investing in the home care workforce; (2) provider requirements; and (3) the Medicaid Managed Long-Term Care program.

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[1] Cornell University. 2011. "New York State and County Population Projections by Age and Sex." http://pad.human.cornell.edu/counties/projections.cfm

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Investing in the Home Care Workforce

PHI strongly supports two Executive Budget provisions that invest in the workforce and encourages a few important adjustments:

- Allocate $450 million to cover the increase in the minimum wage for direct care workers in the Medicaid system. While we support this critical allocation, PHI encourages the legislature to also consider raising the base wages for home care workers above the minimum wage to ensure that home care jobs are competitive with other jobs that have similar entry thresholds, such as fast food and retail jobs.
- Authorize the Department of Health (DOH) to conduct a study of rural home and community-based services (HCBS), with the potential for targeted rate increases for fee-for-service Medicaid services based on the findings of the study. This survey would provide important insight about how to address the challenges facing the HCBS system in rural areas of the state. However, PHI recommends expanding the study to cover the entire state, not just rural areas, given that HCBS service providers face challenges throughout the state. PHI further recommends using the study to determine the HCBS baseline rate for Medicaid Managed Care, as well as fee-for-service rates. Covering the minimum cost of HCBS services, this baseline rate should serve as the mandated minimum threshold for contracts between managed care plans and HCBS providers, including home care providers. Because a substantial portion of this rate covers costs related to the direct care workforce, including wages, benefits, training, and other labor costs, a better formulation of the rate would help ensure that providers are adequately reimbursed for investing in their workers.

PHI also recommends the inclusion of four additional provisions in the Executive Budget to help address the state's home care workforce shortage:

- Fund implementation of the advanced home health aide occupation. A law authorizing the creation of the advanced home health aide (AHHA) occupation was passed in 2016 and is scheduled for implementation in 2018.[2] AHHAs will be allowed to perform certain advanced tasks, including the administration of pre-measured or pre-filled medications and insulin injections. Funding is critical to develop new curricula, establish training programs, and cover the increased wages of AHHAs. If sufficiently funded, this new occupation will provide home health aides with a meaningful career advancement opportunity, while also improving quality of care and quality of life for consumers and their families.
- Establish the Home Care Jobs Innovation Fund.[3] This proposed $15 million fund would support the pilot-testing of strategies to attract and retain workers – such as innovative methods for finding the right applicants, effective orientation strategies for new hires, and

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[2] NYS DOH. 2017. "Advanced Home Health Aides." https://www.health.ny.gov/facilities/home_care/advanced_home_health_aides/. The amount by which wages should increase for workers with this advanced certification have not yet been determined.

[3] Cook, Allison. 2018. "The Home Care Jobs Innovation Fund." https://phinational.org/wp-content/uploads/2017/11/Home-Care-Jobs-Innovation-Fund-PHI-Jan-2018.pdf

novel worker investments (e.g., transportation assistance, scholarships, and retention bonuses). The findings from these pilot projects would help the state craft a comprehensive strategy to address the home care workforce shortage.

- Establish a Home Care Advocate. The Home Care Advocate would support home care workers, most of whom are historically marginalized workers, in overcoming a range of challenges, including: providing education on applicable wage and labor rules; linking workers to free and low-cost training and other workforce development programs; and connecting workers to public benefits, among other strategies.
- Establish a home care workforce data system. A home care workforce data system is critically needed to track the supply of home care workers relative to demand. PHI recommends collecting three sets of workforce data: volume, stability, and compensation. Workforce volume measures provide an overview of the supply of workers, including the number of full-time and part-time workers and the distribution of workers across settings and programs. Workforce stability measures, which include turnover, retention, and vacancy rates, help identify where significant numbers of new workers are needed. Worker compensation measures, which include average hourly wages, hours worked, annual income, and benefits such as health insurance and paid time-off, illustrate whether direct care jobs are attractive compared to other occupations. The HCBS survey could be the first step in establishing this data system.

Provider Requirements

PHI has identified two provider requirements in the Executive Budget that would have a negative impact on home care workers and consumers:

- Prohibit contracting providers from marketing Medicaid Managed Long-Term Care (MLTC) plans and restricting referring providers from acting as the service providers. Many home care consumers, including those who are newly eligible for MLTC, seek information and guidance about their plan options from their current home care providers. Often, a consumer's priority is to make plan decisions that allow them to retain the same home care worker. By prohibiting agencies from providing plan-related information or referrals, this provision could lead to unintentional disruptions in the established relationships among agencies, workers, and consumers.
- Limit the number of contracts that MLTCs can have with licensed home care services agencies (LHCSAs) to no more than 10. Many MLTCs are already acting to reduce the number of LCHSA contracts that they maintain, which will help ensure efficiency and minimize duplication in the home care market. However, by setting the maximum number of LHCSA contracts extremely low, this provision risks destabilizing the market, primarily by forcing smaller agencies to close, which would have negative repercussions for both workers and consumers.

Medicaid Managed Long Term Care Program

Several Executive Budget provisions impact the MLTC program. PHI recommends the revision or exclusion of four provisions, which could be destabilizing for consumers and workers:

- Increase the threshold to qualify for MLTC to 120 continuous days of care at a higher level of assessed need. While recognizing the importance of addressing MLTC enrollment in New York State to ensure that consumers are receiving the appropriate amount of care, PHI is concerned that this provision may leave some consumers without needed services. As the local Department of Social Service (DSS) infrastructure, where home care services were previously managed, has largely been dismantled in the move to MLTC, it is not clear which entity or entities will meet the needs of consumers who do not qualify for MLTC, according to this provision, but still require some level of care.
- Require MLTC enrollees who do not receive home care within 30 days of enrollment to switch to an integrated model or other model of care. As MLTCs have up to 30 days to conduct an assessment, consumers may only have one day to find home care before being disenrolled from the plan, under this provision. Even if an assessment is completed more quickly, it can take more than 30 days to find a home care agency with the capacity to take on new cases, particularly in rural areas where the workforce shortage is especially acute. Any attempt to reduce delays in the enrollment process should not penalize consumers.
- Lock MLTC enrollees into their plan for 12 months. This provision would likely disrupt the important relationships between home care workers and consumers. For many consumers, their priority in selecting an MLTC plan is to continue receiving support from their familiar and trusted home care worker, and respecting that choice aligns with the federal HCBS rules on person-centered care planning.[4] If consumers are unable to switch plans to stay with their home care agency or fiscal intermediary, both the consumer and their worker may be negatively affected through the termination of the caregiving relationship.
- Disenroll consumers from MLTC once they have been in a nursing home for more than six months. This provision may create an incentive for MLTC plans to place high-need (and therefore high-cost) enrollees in nursing homes, rather than aiming to provide services to them in the community. As with earlier provisions, this would hinder the consumers' ability to receive care in their setting of choice. It could also disrupt the important relationship between consumers and their workers. Both outcomes would ultimately affect consumers' health and quality of life outcomes.

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 create solutions that strengthen the home care workforce and provide high-quality home care to New Yorkers.

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[4] NYS DOH. 2017. "Home & Community-Based Services (HCBS) Rule." https://www.health.ny.gov/health_care/medicaid/redesign/home_community_based_settings.htm