

New York State Joint Legislative Public Hearing on 2022 Executive Budget Proposal: Workforce Development

Written Testimony Submitted by Cooperative Home Care Associates

January 31, 2022

Thank you for the opportunity to testify on the Fiscal Year 2023 Executive Budget for New York State on the topic of workforce development. My name is Adria Powell, and I am the President and CEO of Cooperative Home Care Associates (CHCA). CHCA is a licensed home care services agency (LHCSA) headquartered in the Bronx that is cooperatively owned by home care workers. In operation since 1985, CHCA firmly believes that offering quality jobs for home care workers empowers them to provide high-quality care to older adults and people with disabilities in our community.

Home Care Workers are Essential

It is critical to highlight home care workers in workforce development planning and budgets given the rapidly increasing demand for these workersⁱ and their essential contribution. Within the next decade, from 2018 to 2028, this workforce is expected to add over 265,000 new jobs, which is more new jobs than the next four largest job sectors combined.ⁱⁱ Yet home care employers are already struggling to fill open positions: 76% of surveyed home care and hospice providers in New York State report that they are having trouble accepting new clients due to workforce capacity,ⁱⁱⁱ which severely compromises care access and quality.

Persistently poor job quality for home care workers fuels this workforce crisis. The median wage for home care workers in New York State is less than \$15 per hour, median annual earnings are only \$19,000, nearly half (49%) of this workforce lives in or near poverty, and 57% rely on public assistance to make ends meet.^{iv} Because this workforce primarily comprises women (92%), people of color (81%), and immigrants (65%), poor job quality is a pressing equity issue as well as a service delivery and economic development concern.

CHCA's Field-Leading Training and Employment Model

For our part, CHCA takes every opportunity to recruit and retain a strong home care workforce. Together with PHI, a New York-based national nonprofit organization that is widely known as the nation's leading authority on the direct care workforce, we offer a free, four-week, New York State Department of Health approved training program designed to serve individuals who otherwise face educational and employment barriers. Provided in both English and Spanish, our training program enrolls more than 400 job-seekers annually, primarily low-income women of color and immigrants.

Graduates of the program attain dual certification as personal care aides and home health aides and are guaranteed employment at CHCA.

To support training program completion, job placement, and retention, CHCA employs three case managers, including one who focuses significantly on delivering supports to young adults. Case managers meet with each prospective trainee to verify childcare arrangements, discuss personal and professional goals and challenges, and make appropriate referrals to social service providers. To reinforce these case management services, CHCA also employs experienced home health aides as peer mentors to support new hires.

Our home care workers receive an hourly wage of \$15 per hour, in line with the minimum wage in New York City, as well as competitive benefits, including free dental and life insurance, paid time off, and health insurance provided by 1199SEIU for those who work at least 130 hours per month. Further, in limited instances workers can increase their earning potential by moving into advanced roles that come with permanent wage increases. Thanks to our comprehensive training program, workforce development supports, career advancement, and other worker-centered efforts, CHCA's annual turnover rate is just 24 percent, compared to the national average of 65 percent.^v

But CHCA, along with home care providers across the state, is struggling to sustain these workforce investments on low reimbursement rates from Medicaid, increased COVID-19-related costs, and other severe budget constraints. We are also suffering from significant job losses: whereas we employed over 2,200 home care workers and served 1,500 New Yorkers prior to the pandemic, today we employ just over 1,500 home care workers and serve 1,100 clients. As a result of the crisis-level workforce shortage in home care, many older New Yorkers and people with disabilities are going without the necessary care they are entitled to and that allows them to remain in their homes and communities.

Key Executive Budget Provisions

Healthcare Workforce Investments

We agree with and support Governor Hochul's intent to grow the healthcare workforce by 20 percent over the next five years "with a program designed to strengthen home care, improve the career pipeline, expand access to healthcare training and education, and recruit healthcare and direct support professionals to care for people in underserved areas." Unfortunately, the one-time bonuses for home care workers in the budget alone are inadequate to expand and retain the home care workforce over the next five years. Bonuses do not provide long-term financial improvement for the healthcare sector's largest and lowest-paid workforce that wage increases do.

We endorse the proposed creation of an Office of Healthcare Workforce Innovation within the Department of Health to better coordinate statewide health and direct care workforce strategies—

because the workforce crisis in health and long-term care is too large for individual employers or service sectors to overcome.

CHCA also encourages renewed funding for the Workforce Investment Program—with key amendments based on lessons learned^{vi}—so that the Workforce Investment Organizations (WIOs) that were funded through that program can continue their critical training role. Training from the WIOs helped prepare direct care workers and other long-term care staff to improve quality outcomes and achieve cost-savings for New York State’s Medicaid program—two central goals of the state’s updated value-based payment roadmap.^{vii}

Medicaid Investments

Among other measures, the proposed Executive Budget would restore the 1.5 percent across-the-board reduction in Medicaid reimbursement rates that was enacted in Fiscal Year 2021, and increase Medicaid reimbursement for all providers by 1 percent. We agree, as explicitly stated in the Briefing Book, that this rate restoration and increase is critically needed to cover service costs and “to compete in the labor market to attract qualified workers.”

Broader Workforce Investments

Among the Governor’s proposals for overhauling workforce development in New York State, CHCA agrees with the importance of creating a new Office of Workforce and Economic Development at Empire State Development. We would like to particularly underscore the importance of the funding that is allocated to “career flexibility” for direct care workers and “financial burden relief” for healthcare workers. As a major employer of immigrant workers, we also applaud the strengthened funding for the Office of New Americans Program to better help immigrant New Yorkers with citizenship applications and workforce development.

Fair Pay is Still Needed

Going beyond the provisions included in the proposed Executive Budget, New York State’s budget for Fiscal Year 2023 must enact and fully fund *Fair Pay for Home Care (A6329A/S5374A)*,^{viii} which will raise wages for home care workers to at least 150% of the minimum wage and set a minimum reimbursement rate for home care providers. PHI’s research has shown that median hourly wages for direct care workers across long-term care settings in New York State are over \$3.00 less than the median wage for other occupations in the state that have similar entry-level requirements and \$0.65 less than occupations with *lower* entry-level requirements.^{ix} This wage disparity is greatest for home care workers, specifically, who earn the least among all direct care workers. *Fair Pay for Home Care* will improve the competitiveness of home care jobs, help home care providers attract and retain enough workers to meet demand, reduce expenditure on public assistance, and generate billions of dollars in economic activity.^x This legislation also represents an investment in equity, by helping

overcome the systemic inequities experienced by the women, people of color, and immigrants that comprise the majority of this growing job sector.

A mandated wage increase through *Fair Pay for Home Care* must be matched by adequate reimbursement rates for home care providers like CHCA. Labor costs have increased substantially in recent years for several reasons, including the wage parity law, minimum wage requirements, the Fair Labor Standards Act Final Rule, and due to the COVID-19 pandemic. The Medicaid and healthcare workforce investments mentioned above are an important but woefully insufficient step toward covering these costs. To ensure that we can remain operational, meet the growing need for home care services, and provide our workers with financial stability, we urge New York State invest in home care through *Fair Pay for Home Care*.

If we are to truly realize Governor Hochul’s vision of rebuilding and growing the healthcare workforce by 20 percent over the next five years utilizing a program that strengthens home care, there must be bold investment in this area. A bold investment is a wage increase for this workforce. Increased wages Connected to adequate reimbursement rates is essential to alleviate home care workforce shortages, ensure older New Yorkers and those living with disabilities can live safely in their homes and communities, and lift hundreds of thousands of low-income individuals, predominantly women and people of color, out of poverty.

Thank You,
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ⁱ González-Rivera, C., Bowles, J., & Dvorkin, E. 2019. *New York’s Older Adult Population is Booming Statewide*. Center for an Urban Future (CUF). <https://nycfuture.org/research/new-yorks-older-adult-population-is-booming-statewide#targetText=Today%2C%20New%20Yorkers%20ages%2065,and%20above%20is%20also%20booming>

ⁱⁱ Cook, A. 2020. *New York State’s Direct Care Workforce*. PHI. <https://phinational.org/resource/new-york-states-direct-care-workforce/>

ⁱⁱⁱ <https://infogram.com/hcanys-state-of-the-industry-report-2021-1hnq410oxklop23?live>

^{iv} PHI. “Workforce Data Center.” Accessed 1/25/22. <https://phinational.org/policy-research/workforce-data-center/>.

^v Holly, R. 2021. “‘A huge victory’: Home care turnover remains stable at 65.2%.” *Home Health Care News*, May 19, 2021. <https://homehealthcarenews.com/2021/05/a-huge-victory-home-care-turnover-remains-stable-at-65-2/>

^{vi} PHI. 2021. *PHI Urges New York State to Renew the Medicaid Managed Long Term Care Workforce Investment Program*. Bronx, NY: PHI. <https://phinational.org/wp-content/uploads/2021/06/Discussion-Paper-April-2021.pdf>

^{vii} New York State Department of Health. 2021. *Value-Based Payment: Update. New York State Roadmap for Medicaid Payment Reform*. https://www.health.ny.gov/health_care/medicaid/redesign/vbp/roadmaps/docs/updated_vbp_roadmap.pdf

^{viii} New York State Senate, 2021-2022 Legislative Session. *Senate Bill S5374A: Fair Pay for Home Care Aides.*

<https://www.nysenate.gov/legislation/bills/2021/s5374>

^{ix} PHI. 2020. *Competitive Disadvantage: Direct Care Wages are Lagging Behind.* Bronx, NY: PHI.

<https://phinational.org/resource/competitive-disadvantage-direct-care-wages-are-lagging-behind/>

^x Home Care Association of New York State. 2021. *State of the Industry 2021.* <https://infogram.com/hcanys-state-of-the-industry-report-2021-1hng410oxklop23?live>