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**Testimony of the New York State Association of Health Care Providers, Inc.  
Presented to the Joint Legislative Budget Committee on Health  
February 8, 2022  
Presented by Kathy Febraio, President and CEO**

***Introduction***

On behalf of the New York State Association of Health Care Providers, Inc. (HCP), thank you for this opportunity to provide testimony on the 2022 – 2023 Executive Budget Proposal and the state of the home care industry as it struggles to meet the increasing needs of an aging and disabled population and to respond to significant policy changes in the face of the ongoing public health emergency and worsening financial outlook.

The home care sector employs hundreds of thousands of direct-care workers in New York State. Workforce issues and concerns related to them are not new to home care providers. These struggles have become critical and are now a crisis due to several factors including COVID-19.

Many home care provider agencies have reported drastic worker losses throughout the pandemic. Workforce reductions of over 30% are commonplace, resulting in a reduction in care hours for established cases. At a minimum, most agencies cannot take on new patients, as no workers are available to provide care. Many patients are going without the personal care they need to remain safe and healthy at home. Going without these basic, needed services puts patients at risk for declining health and placement in a skilled nursing home or other institutional setting.

Insufficient Medicaid funding and no assurance that State dollars are passing through the plans to home care providers have contributed to instability in the home care sector and major financial losses over the past decade. **Home care worker wages and adequate reimbursement rates for their employers are inextricably linked and inseparable.**

HCP, as a statewide association representing the spectrum of home care providers in New York, can attest that our members are reeling from the perfect storm. We recognize that providers across the health care continuum face multiple acute challenges. Home care is no exception. However, there are critical differences that predate the pandemic. Home care faces strong headwinds, with decreased reimbursement rates, increased costs, astronomical recruitment and retention challenges, difficulty vaccinating the workforce, multiple redundant reporting requirements, contracting limits, strict regulation, and other detrimental state policies including three unnecessary industry-impacting Requests for Proposals (RFPs), which all greatly impact critical access to home care services and the stability of the industry.

**To put it simply: our industry is at the breaking point.** We are seeing increased disruption and destabilization in the home care industry. Our members report losing significant numbers of staff due to various COVID-19-related challenges, including the mandates for vaccination and boosters, high numbers of workers out sick with COVID or caring for a loved one who is sick, and loss of workers to lower stress, higher

paying jobs including in other sectors of the health care spectrum. Agencies employing these workers must pay skyrocketing overtime and sick leave wages to their remaining workers and are frequently unable to take on any new cases or must do so with great discretion. The escalating cost of Personal Protective Equipment (PPE) has added to the already heavily encumbered home care industry. Sadly, many agencies have had to activate emergency financial plans and have made painful cuts to their already threadbare budgets. Some will not survive.

Unlike 38 other states, New York has not provided any financial pandemic assistance to this critical sector of the health care industry. Despite growing needs for home care services, most of the pandemic-related federal financial aid for health care has gone to hospitals and nursing homes. The current payment structure has allowed payers to turn a deaf ear to the needs of home care patients, workers and the agencies that employ, train, and supervise them. A decade of slow financial starvation has created an unsustainable system that is leaving patients unserved, a workforce stressed to the breaking point, and severe disruption that reverberates across the entirety of the health care spectrum.

Home care providers must meet statutory wage obligations and pay home care workers – whether or not payors distribute funds as they are obligated to do. Absent the pass-through of State minimum wage funds, the majority of home care providers do not have the financial resources to pay for the wage increases. The result is that agencies must reduce or eliminate home care services, reducing the availability of these essential services to dependent consumers. It is essential that the State improve its oversight of the distribution of minimum wage funds to home care providers so that these disruptions in care or elimination of home care services does not occur.

Now is the time for home and community-based services (HCBS) to be treated as a highly regarded partner and a valuable part of the continuum of health care services. An investment in home care results in cost savings in the long term by reducing hospitalizations and nursing home admissions. An investment in home care workers improves the health of New Yorkers by maintaining community involvement and allowing vulnerable individuals to remain at home, where they want to be. An investment in the home care workforce boosts the economy overall by allowing family members to enter or continue working, knowing their loved ones are cared for by trained professionals.

Rather than implementing policies that create obstacles and restrict access to home care, state policymakers should be charting a sustainable course for the future of long-term care for its residents.

## ***HCP State Budget Recommendations***

### ***Fair Pay for Home Care***

- Include the amended language in S5374-A(May)/A6329-A(Gottfried), the Fair Pay for Home Care Act, in your one-house budget bill.

### ***Provider Medicaid Rate Increase***

- Support the executive budget proposal to restore the 1.5 percent across the board Medicaid cuts that were previously enacted for Medicaid providers.
- Support the governor's proposal to provide an increase in Medicaid rates of an additional 1 percent this year.

### ***Clean Slate Act***

- Include the language in S1553-C(Myrie)/A6399-B(Cruz), the Clean Slate Act, in your one-house budget bill, and REJECT the Public Protection and General Government Article VII Bill unless amended with exemption for home care agencies.

### ***Licensed Home Care Services Agency (LHCSA) Request for Proposals (RFP) Repealer***

- Include repeal of the LHCSA RFP in your one-house budget bill by adopting language from S6640(May)/A7304(Gottfried).

### ***Wage Parity***

- Continue to Fund Wage Parity in NYC, Nassau, Suffolk, and Westchester Counties.
- Eliminate the requirement for an independently audited financial statement in connection with wage parity reporting.

### ***Unemployment Tax Rate Increase***

- Delay this devastating increase. The HCBS sector cannot take any more financial hits as it struggles to meet existing obligations.

### ***Fair Pay Proposal***

We are sorely disappointed that home care worker wages have been ignored, or at the very least, minimized, in the Executive's budget proposal. Governor Hochul's Budget Briefing Book mentions that the industries that have been slowest to come back are New York's lowest paid workforces. Home care workers certainly meet that criterion. Personal care was cited as one of the services groups where employment is down over 15%. As noted in the briefing, this is also a service sector which has been most at risk during the pandemic.

The Governor's substantial health care investment makes no mention of home care outside the proposed health care work force bonus which will take a year to be realized. Although we are grateful for the recognition of essential health care workers, more immediate attention is needed to boost and develop our state's caregiving community. Human services workers are slated for a cost-of-living increase in the Executive proposal. Home care workers are receiving nothing, and it has been suggested that minimum wage increases will apply to them and will be sufficient. HCP stresses that minimum wage is not fair compensation to these hard working, highly trained and regulated caregivers who help New Yorkers stay safely in their homes and communities.

HCP is proud to join with other stakeholders, as well as with Senator May and Assemblymember Gottfried in support of the Fair Pay for Home Care Workers Act. HCP and its members are so grateful to the bill's sponsors for their efforts to craft a proposal establishing a fair wage for home care workers while addressing the struggles that home care agencies experience with grossly inadequate reimbursement rates from managed long-term care (MLTC) companies.

During budget discussions, HCP and other stakeholders want to make clear and emphasize in the strongest terms possible that any such proposal to increase wages must include minimum hourly Medicaid reimbursement rates that include wages, benefits and provider costs. The current bill language includes the means to accomplish this and must not be compromised. **It bears repeating that home care worker wages and adequate reimbursement rates for their employers are inextricably linked and inseparable.**

These recommendations include:

- At a minimum, separate minimum hourly reimbursement rates must be established in statute for the following geographic regions: New York City; Nassau, Suffolk, and Westchester; Rest of the State.
- Regional base hourly minimum reimbursement rates would be effective with the Fair Pay wage increase and adjusted annually by the Department of Health (DOH/the Department) based on cost report data to reflect costs or additional requirements.
- Minimum hourly rates must reflect regional costs for:
  - Direct service inclusive of overtime, all benefits, and payroll taxes, including but not limited to FICA, Medicare, FUTA, SUI, Disability, Workers' Compensation, MTA Tax, and related increases tied to base wages;
  - Reasonable administrative costs for licensed home care services agencies (LHCSA) and the per member per month for Fiscal Intermediaries (FI) in the Consumer Directed Personal Assistance Program (CDPAP);
  - Development of profits or reserves as allowable by law or regulations of the Commissioner;
  - Allowances for capital costs; and
  - Any additional supplemental payments such as a rural rate add-on, transportation expenses, and wage parity in affected regions.

These inclusions guarantee adequate reimbursement to employers to cover the living wage and its associated costs. State payments to MLTCs and in turn, MLTC payments to providers, must be entirely transparent to ensure efficient, fair use of taxpayer money. Again, home care worker wages and adequate reimbursement rates for their employers are inextricably linked and inseparable.

Given this year's significant investment of Federal Medical Assistance Program (FMAP) funding, New York policymakers have the once-in-a-generation opportunity to make significant improvements to the state's home care delivery system. HCP notes that several other states have increased reimbursement rates for home care providers even before the additional FMAP funds were a reality. These states recognized the added provider expenses due to COVID-19. Unfortunately, New York has not taken any such steps to assist home care providers nor the workers they employ.

It is welcome news to the home care industry that the Biden administration has focused on investing in home and community-based services (HCBS) and its workforce as core values of its infrastructure plan. Unfortunately, the Build Back Better initiative has stalled in Washington, and the home care industry now turns to our state policymakers if we are to develop this workforce and enable New Yorkers to age and heal where they want to be – at home.

### ***Clean Slate Act***

HCP strongly supports the legislative version of this bill and submitted testimony to the Joint Legislative Budget Committee on the issue of Public Protection on January 5, 2022.

In the legislative bill, exemptions for employer classes include entities required by state or federal law to ask for fingerprint criminal background checks. However, the Governor's ARTICLE VII bill does NOT include this exemption. We met with the governor's office and anticipate it will be in her 30-day amendments.

The home care industry employs hundreds of thousands of caregivers who provide services in the most intimate health care setting: people's homes. These workers tend to the personal needs of the most vulnerable aging and disabled New Yorkers.

Home and community-based services providers have long advocated for criminal history record checks to be part of the routine hiring practices for the home care workforce, given the particularly exposed nature of the population being served and the setting in which the care occurs.

NYS Public Health Law states that a criminal history record check (CHRC) is required for any unlicensed person employed by or used by the provider who provides direct care or supervision or has access to a resident's/client's property and belongings. The Department of Health outlines the requirements for criminal history record checks in DHCBS 20-01. This process is in place to prevent caregivers with nefarious intentions from access to patients and residences and is a critical tool for providers as they put the safety of their clients – and their workers – first and foremost.

It is important to note that a negative result on a CHRC does not preclude employment as a home care worker. In fact, quite the contrary is true. A 2018 DOH presentation indicated that of 1 million individuals, about 17% of applicants have a "hit" in the CHRC process. Of these, less than 30% are denied employment. Applicants are given the opportunity to provide evidence of rehabilitation in a meaningful exchange with the employer. DOH states that CHRC "Balances the safety of vulnerable people against the need to reduce criminal behavior through gainful employment".

### ***LHCSA Request for Proposals (RFP) Repeal***

HCP strongly supports S6640(May)/A7304(Gottfried) which repeals the LHCSA RFP, created through Medicaid Redesign Team (MRT) II recommendations during 2020-21 budget proceedings with no opportunity for input or feedback from the home care industry.

By severely limiting the number of Medicaid home care providers in New York State, the LHCSA RFP will serve only to further disrupt a severely underfunded and increasingly necessary service for the frail and elderly.

The current scrutiny, disruption, and uncertainty of the Consumer Directed Personal Assistance Program (CDPAP) RFP process is evidence too strong to ignore. Applying an RFP process to LHCSAs would create even more havoc in the home care industry and must be repealed.

There is already a wealth of information and statistics which are at the state's disposal if a reduction in provider number is the goal. LHCSAs must submit annual license registrations, annual cost reports, and annual statistical reports to the State. If there are delinquent agencies, or ones that do not provide any services, they should be identified through these reports (or lack thereof) and have their licenses revoked through due process. All attending home care associations have continually expressed the desire to work with the State to determine a fair, objective course of action to ensure all providers are worthy of serving Medicaid beneficiaries.

Additionally, federal Medicaid rules and state laws already set criteria for quality, character, and competence. LHCSAs comply with layers of public health and social services law, labor law, and Medicaid rules. Given the trove of data available to the state, it must use that information to make sound policy choices in evaluating any individual LHCSA's ability to provide services, rather than implement an unduly blunt, harmful, and unfair instrument like this RFP.

The genesis of the RFP is unknown, as it occurred during the MRT II process, but no participants in the MRT II saw or heard of it until the full report of recommendations was released. In addition, the RFP's objectives have never been definitively stated by regulators. Originally fiscally neutral, this RFP now claims a \$25 million savings to the state without explanation. Given the changed landscape of health care attributable to the public health emergency, all alternative solutions to a perceived problem in this sector need to be examined and assessed prior to adding the turmoil that will accompany this LHCSA RFP.

## ***MLTC RFO***

The home care industry is threatened with additional upheaval through the Executive budget proposal regarding yet another competitive procurement process. The Governor's plan would require the Department of Health to reduce the number of managed long-term care plans (MLTC), including integrated Medicare/Medicaid plans and partially capitated MLTCs. The proposal limits the number to five (5) of each plan type in each region.

HCP is concerned about this Executive budget proposal as it would concentrate power in the hands of too few plans. You can be certain that through consolidation of the plan offerings, the remaining MLTCs will gain much control. Rate negotiations with providers will be virtually non-existent, as they will be forced into take-it-or-leave-it terms as a condition to continuing to provide services to established patients.

## ***Wage Parity***

HCP is concerned about the requirement for an independently audited financial statement for worker wage parity; this overly burdensome requirement must be stricken from the statute.

It is unfair to impose the requirement of the costly independently audited financial statement on all providers subject to wage parity. When we consider all of the other numerous legal requirements included in the statute, it is clear that there are several mechanisms in the law to compel compliance. The requirement for the costly independently audited financial statement does nothing more than punish those who obey the law and does little to enforce the standards for those who would otherwise thwart the law, no matter the consequences.

Further, in our conversations with the Certified Public Accountant (CPA) Society, the concern was raised that as written, a CPA would be unable to comply as doing so would violate industry standards and best practices.

## ***Provider Medicaid Rate Increase***

HCP supports the Executive Budget Proposal to restore the 1.5% across the board Medicaid cuts that were previously enacted for Medicaid providers. In addition, we support the governor's proposal to provide an increase in Medicaid rates of an additional 1 percent this year.

## ***Unemployment Tax Increase***

HCP is concerned about this additional expense to already-struggling employers. A delay or freeze in implementing this costly increase would be welcome relief.

## ***Conclusion***

In closing, HCP emphasizes that home care providers have not had equitable for more than a decade. The current reimbursement rate structure for minimum wage increases does not cover all the costs of paying for

these mandatory labor costs and have fallen well short of covering the skyrocketing cost of overtime and sick leave during the pandemic.

While our members could not be prouder of the work they and their essential caregivers do on a daily basis to help our frail, aging, and disabled citizens, their ability to continue doing so is at risk. Without home care services, hospitals have no release valve, family caregivers are overburdened, and people who could have been treated safely and efficiently at home either languish and decline, or face placement in institutional settings, the costliest and least desired service delivery setting.

Home care and those who depend on it cannot, should not, and will not be overlooked.

One thing is clear: home care is the setting of choice for those needing services. The COVID-19 pandemic has shown this more acutely with residents in congregate care settings leaving to go home or wishing to do so. Data from certain counties indicates that the COVID mortality rate for home care recipients is a small fraction of what it is for nursing homes, or even private residences, and less than half of what it is for assisted living facilities. **Patients do better at home.**

Rather than developing and implementing policies that create obstacles and restrict access to home care, state policymakers charting a course for the future of long-term care in New York must feature home care prominently as a vital component of such a system.

Thank you for this opportunity to comment on the current state and dire needs of the home care sector. HCP looks forward to working with the State Legislature to address the critical needs of the home care industry across the State, in order to ensure access to high quality home care services.

Individuals with disabilities, those with chronic illness and the aging want to have access to health care services in their homes. The difficulties experienced by home care agencies cannot be resolved without State investment. Now is the time to invest in home care.

## **Appendices:**

- State Budget Priority 1-pager
- Emergency Funding Request to Governor Hochul
- Fair Pay for Home Care Coalition Letter

# Invest in Home Care



## Need for In-Home Care is Critical

The number of adults age 65 and over is expected to **increase by 50 percent** between 2015 and 2040 in New York; that number is expected to **double** for adults over the age of 85 during the same time frame.

Source: <https://www.health.ny.gov>

New York State will **need 980,000 new home care workers** between 2018 and 2028 as a result of growth in the need for services and the replacement of workers leaving the workforce.

Source: <https://phinational.org/policy-research/workforce-data-center/#states=36&var=Employment+Projections>



# 64%

## Turnover in Home Care

Historically, home care has been an industry plagued by sky-high caregiver turnover rates.

*Home Care Pulse (2019 Benchmarking Study)*



## Home Care Saves Money

Home care in New York is significantly **less costly** than alternatives. Nursing facility daily rate up to \$400+, depending on region. Most home care patients require fewer than 44 hours of care per week. The total cost of care is less than half of nursing home placement.

Sources: <https://www.kff.org>; <https://www.health.ny.gov>; <https://www.seniorliving.org>

## Greater Dividends

Investment in home care doesn't just help the patients. It helps their families by protecting their health and allowing them to be productive in society.

Source: <https://www.aarp.org>



## Care at Home is the Preferred Option

90% of people 65 and older say they would **prefer** to receive care in their own homes as long as possible.

## Usage Rates

**OVER 300,000 New Yorkers** receive Home and Community Based Care through the Medicaid Program.

Source: <https://www.kff.org>

The New York State Association of Health Care Providers, Inc. (HCP) is a statewide trade association representing the full spectrum of home and community-based care providers through information, advocacy, and education. HCP represents licensed home care services agencies, certified home health agencies, hospices, fiscal intermediaries and related health organizations. Through a strong network of regional chapters and an active State office in Albany, HCP is a primary authority of the home health care industry.

*Home Care. Health Care. Your Care...For Life*

## **CHART A SUSTAINABLE COURSE FOR THE FUTURE OF HOME CARE!**

The home care sector employs hundreds of thousands of direct-care workers in New York State. Workforce issues and concerns related to them are not new to home care providers. These struggles have become critical and are now a crisis due to a number of factors including COVID-19.

**Home care worker wages and adequate reimbursement rates for their employers are inextricably linked and inseparable.** Insufficient Medicaid funding and no assurance that State dollars are passing through the plans to home care providers have contributed to instability in the home care sector and major financial losses over the past decade. This slow financial starvation has created a sector of the workforce that is so underpaid that more than half are dependent on public benefits. At the same time, these heroic workers have shown themselves to be critical to keeping New York's health care system moving forward throughout the pandemic. Low wages have also hamstrung employers who struggle to attract and retain quality employees. The time is long past due to invest in, bolster, and plan for the future of the home care workforce in New York.

Now is the time for home and community-based services (HCBS) to be treated as a valued partner and a valuable part of the continuum of health care services. An investment in home care results in cost savings in the long term by reducing hospitalizations and nursing home admissions. An investment in home care workers improves the health of New Yorkers by maintaining community involvement and allowing vulnerable individuals to remain at home, where they want to be. An investment in the home care workforce boosts the economy overall by allowing family members to enter or continue working, knowing their loved ones are cared for by trained professionals.

Rather than implementing policies that create obstacles and restrict access to home care, state policymakers should be charting a sustainable course for the future of long-term care in New York. Long term sustainability must include adequate Medicaid reimbursement rates to pay equitable wages.

### ***BUDGET ASKS***

#### ***Fair Pay for Home Care***

**ASK:** Include the amended language in S5374-A(May)/A6329-A(Gottfried), the Fair Pay for Home Care Act, in your one-house budget bill.

#### ***Provider Medicaid Rate Increase***

**ASK:** Support the executive budget proposal to restore the 1.5 percent across the board Medicaid cuts that were previously enacted for Medicaid providers.

**ASK:** Support the governor's proposal to provide an increase in Medicaid rates of an additional 1 percent this year.

#### ***Clean Slate Act***

**ASK:** Include the language in S1553-C(Myrie)/A6399-B(Cruz), the Clean Slate Act, in your one-house budget bill, and **REJECT** the Public Protection and General Government Article VII Bill unless amended with exemption for home care agencies.

***Licensed Home Care Services Agency (LHCSA) Request for Proposals (RFP) Repealer***

**ASK:** Include repeal of the LHCSA RFP in your one-house budget bill by adopting language from S6640(May)/A7304(Gottfried).

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**ASK:** Eliminate the requirement for an independently audited financial statement in connection with wage parity reporting.

**Unemployment Tax Rate Increase**

**ASK:** Delay this devastating increase. The HCBS sector cannot take any more financial hits as it struggles to meet existing obligations.



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January 7, 2022

The Honorable Kathy Hochul  
Governor of New York State  
NY State Capitol Building  
Albany, NY 12224

Dear Governor Hochul:

The home and community-based services (HCBS) industry has reached a critical point. Over the past couple of weeks, we have heard from our members who are in dire financial straits and without workers to care for vulnerable New Yorkers. **We are the relief valve for overcrowding of hospitals but we cannot help without immediate financial assistance.** To better understand the scope of this crisis, we surveyed our members. The results are alarming:

- Almost half (46%) of respondents are experiencing greater than 10% staff call-outs due to COVID-19 positivity, exposure, and quarantining;
- These current staff losses exacerbate those attributable to August's mandated vaccinations, when 30% of respondents reported greater than 10% loss of staff;
- Almost 90% (88.89%) of respondents reported difficulty serving their existing clients;
- Almost half (46%) report experiencing significant or severe financial disruption resulting in cuts and contingency plans;
- Nearly 11% are facing financial losses so great that they are considering closing.

The financial stresses on our industry have been escalating for ten years, and the current omicron surge has turned a challenge into a true emergency. Without the ability to send patients home, the existing hospital capacity challenges will increase. Home health care agencies' ability to serve existing cases has been diminished, meaning some of New York's most vulnerable are without desperately needed care. Mandated boosters for health care workers are also on the horizon, which significantly adds to agency concerns about worker shortages.

**Home care agencies need immediate financial emergency relief.** This emergency relief will be used to pay our aide overtime, sick leave and immediate hiring bonuses to allow agencies to cover new cases to allow for hospital discharges. We fear that imminent collapse of this industry will severely hamper our progress in combatting COVID-19, will put our elders at increased risk, and will hamstring hospitals who will have nowhere to discharge patients who could otherwise be served at home.

While we applaud the proposals advanced in this week's State of the State address, we worry that these longer-term, significant improvements to the HCBS industry won't have a chance to succeed in the wake of industry-wide destabilization and disruption.

We look forward to working with you to get much needed funds to these agencies in short order, and thank you for making home and community-based services a priority.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kathy Febraio', is written over a light blue horizontal line.

Kathy Febraio, President and CEO  
NYS Association of Health Care Providers

Cc: New York City Mayor Eric Adams



January 25, 2022

The Honorable Kathy Hochul  
Governor of New York State  
NY State Capitol Building  
Albany, NY 12224

Dear Governor Hochul:

We are a consortium of home and community-based services (HCBS) provider associations and advocates for fair wages for home care workers. We appreciate your recognition expressed in the State of the State and Budget addresses that we must invest in the health care workforce. We agree with and support your Budget commitment to rebuild and grow the healthcare workforce by 20 percent over the next five years with a program designed to strengthen home care.

That said, while your Executive Budget Proposal includes funding for hospital and nursing home worker wage increases, it appears that home care workers – the largest and lowest-paid part of the direct care workforce – were not included. The one-time bonuses for home care workers in your budget alone are inadequate to expand and retain the home care workforce over the next five years. This workforce is critical to caring for the growing number of aging and vulnerable New Yorkers in their homes and communities. To sustainably grow this workforce, we urge you to work with the Legislature to include the **Gottfried/May Fair Pay for Home Care Act (A6329A/S5374A)** as part of the final budget.

New York has two interconnected crises in the home care sector:

- **A major home care workforce shortage.** Home care agencies in our consortium have seen a 30-40% reduction in their home care workforce – a trend that began well before the public health emergency. Simply put, home care workers are going to other sectors to make more money. Every year, NYS employers need to recruit more than *26,000 new home care workers* to keep up with the demand for care, and more than *71,000 additional* home care workers to replace those who leave direct care or exit the labor force entirely.<sup>1</sup>
- **A financially unstable home care industry.** As noted above, the minimum wage is no longer adequate to attract and retain home care workers, but New York State has largely pegged Medicaid home care reimbursement to the minimum wage when setting managed long-term care (MLTC) rates, not sufficiently accounting for higher labor and other provider costs. MLTCs then pass along these inadequate rates to licensed home care service agencies (LHCSAs) and fiscal intermediaries (FIs). The result has been major financial losses, substantial workforce shortages, and instability in the home care sector.

Home care worker wages and adequate reimbursement rates for their employers are inextricably linked and inseparable. Insufficient Medicaid funding and lack of clear direction for how funds are to be spent has contributed to instability in the home care sector and major financial losses over the past decade.

Paying home care workers a living wage is also a matter of economic justice.

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<sup>1</sup> Jabola-Carolus, Isaac, et al. 2021, *The Case for Public Investment in Higher Pay for New York State Home Care Workers: Estimated Costs and Savings*, [https://academicworks.cuny.edu/cgi/viewcontent.cgi?article=1806&context=gc\\_pubs](https://academicworks.cuny.edu/cgi/viewcontent.cgi?article=1806&context=gc_pubs) Accessed March 18, 2021

- The median wage for home care workers in New York State is just under \$15 per hour, nearly half (49%) of this workforce lives in or near poverty, and 57% rely on public assistance to make ends meet.<sup>2</sup>
- More than 90% of the nearly 500,000 home care workers in NYS are female and 81% are people of color.
- The economic disparities are worse for women of color in the home care workforce, who receive lower median earnings (\$19,100) than white women (\$20,700) or men of any race (\$21,900) and who are most likely to live in or near poverty (52% compared to 39% and 34%, respectively).<sup>3</sup>

It is also a matter of health justice, as more than 70% of Medicaid home care beneficiaries in New York State are from communities of color. This population is disproportionately harmed by the home care worker shortage.

Fair Pay for Home Care establishes a minimum hourly reimbursement rate for home care providers that would include a sufficient minimum hourly wage to attract and retain home care workers, all costs tied to base wages (e.g. overtime, benefits, payroll taxes), and reasonable administrative/operational costs and investments.

A fair wage increase funded with adequate reimbursement rates is a critical investment 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, primarily women and people of color, out of poverty.

Thank you for your leadership on these issues, and we look forward to working with you and your team to realize these goals.

Sincerely,

New York State Association of Health Care Providers (HCP)  
 Consumer Directed Personal Assistance Association of New York State (CDPAANYS)  
 New York Caring Majority  
 New York Association on Independent Living (NYAIL)  
 New York Coalition of Downstate Union Home Care Providers  
 Association on Aging in New York  
 AARP New York

cc: Jeffery Lewis, Chief of Staff to the Governor  
 Karen Persichilli Kehoe, Secretary to the Governor  
 Liz Fine, Counsel to the Governor  
 Robert Mujica, Director Division of the Budget  
 Kathryn Garcia, Director State Operations  
 Mary Bassett, MD New York State Commissioner for Health  
 Angela Profeta, Deputy Secretary for Health,  
 Brett Freidman, Director NYS Office of Health Insurance Programs, NYS DOH  
 Adam Herbst, Special Advisor to the Commissioner on Aging and Long-Term Care, NYS DOH  
 Hon. Andrea Stewart-Cousins, Senate Majority Leader  
 Hon. Carl Heastie, Assembly Speaker  
 Hon. Richard Gottfried, Chair, Assembly Committee on Health  
 Hon. Rachel May, Chair, Senate Aging Committee  
 Hon. Ron Kim, Chair, Assembly Committee on Aging  
 Hon. Gustavo Rivera, Chair, Senate Health Committee  
 Hon. Liz Krueger, Chair, Senate Finance Committee  
 Hon. Helene Weinstein, Chair, Assembly Ways and Means Committee

<sup>2</sup> PHI. "Workforce Data Center." Accessed 11/19/2021. <https://phinational.org/policy-research/workforce-data-center/>.

<sup>3</sup> Ruggles, Steven, Sarah Flood, Sophia Foster, Ronald Goeken, Jose Pacas, Megan Schouweiler, and Matthew Sobek. 2021. *IPUMS USA: Version 11.0*. <https://doi.org/10.18128/D010.V11.0>; Flood, Sarah, Miriam King, Renae Rodgers, Steven Ruggles, and J. Robert Warren. 2021. *Integrated Public Use Microdata Series, Current Population Survey: Version 8.0*. <https://doi.org/10.18128/D030.V8.0>; analysis by PHI (November 2021).

