



***Testimony of New York Coalition of Downstate Union Home Care Agencies
Before the Joint Legislative Public Hearing on the SFY 2022-2023 Executive Budget Proposal:
Topic Health
Ensuring Adequate Rates for Fair Pay for Home Care
February 8, 2022***

Thank you, Senator Krueger, Assemblymember Weinstein, Senator Rivera, Assemblymember Gottfried, Senator May, Assemblymember Kim and all the committee members for the opportunity to testify on Governor Hochul's proposed Health and Medicaid budget for State Fiscal Year 2022-2023.

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. My organization is a member of the NY Caring Majority Steering Committee. CHCA is also a member of the NY Coalition of Downstate Union Home Care Agencies, and that is who I am representing today.

The Coalition is comprised of six of the State's largest downstate licensed home care services agencies. Together, we care for tens of thousands of frail and medically compromised Medicaid beneficiaries in the five boroughs, and we employ tens of thousands of home health aides who are members of 1199SEIU. We offer our testimony today to provide perspective on the challenges faced by LCHSAs – challenges which have been laid bare by the pandemic -- and out of concern for the future of the State's home health care services and the population they serve.

While Governor Hochul's budget included items the Coalition supports – the 1% Medicaid rate adjustment, the restoration of last year's Medicaid cuts, and one-time bonuses – it failed to include funding for home health worker wage increases. This is in contrast to hospital and nursing home worker wage increases, which were funded.

The NYS Home Care Workforce is in Crisis

Home care workers are a critical component to the fabric of our State's long term care system. Home health aides allow aging adults, people with disabilities and those living with chronic conditions to live well and with dignity in their homes and community rather than costly institutional settings. The demand for this service (and the workforce needed to power it) – is growing rapidly to meet need:

- NYS employers need to recruit more than **26,000 new home care workers**, annually, to keep up with the demand for care.
- More than **71,000 additional home care workers** are needed, annually, to replace those who leave direct care or exit the labor force entirely.
- From 2018 to 2028, the demand for this workforce is expected to grow by more than **265,000 new jobs**, which is more new jobs than the next four largest job sectors combined.

The workforce necessary to meet this need, however, is not there.

- 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,¹ which severely compromises care access and quality.
- Home care agencies in our coalition have seen a 30-40% reduction in our home care workforce – a trend that was already underway before the public health emergency.

Being a home health aide is spiritually and emotionally rewarding. It is also challenging work that requires training, competency, and critical skills in a variety of areas. The work is hard and the minimum wage paid to this workforce is lower than wages offered by retail outlets, fast food restaurants, warehouses, or any other number of workplaces that now not only pay more, but offer attractive signing bonuses and other benefits. As a result of the majority our services being delivered to Medicaid beneficiaries and paid for primarily through government funding, we cannot compete with these other sectors. Yet, we should absolutely be able to compete because home care work and the workers who deliver these essential services should be recognized and compensated appropriately for the critical work they perform. Paying home care workers a minimum wage does not demonstrate a recognition of the value they bring to the long-term care sector.

Paying home care workers a living wage is a matter of social, gender and economic justice.

- 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.¹
- 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).²
- 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.

Responsibly Funding a Wage Increase REQUIRES Adequate Provider Reimbursement Rates

The one-time bonuses for home care workers alone are inadequate to expand and retain the home care workforce over the next five years. To sustainably grow this workforce, we urge the Legislature to include the **Gottfried/May Fair Pay for Home Care Act (A6329A/S5374A)** as part of the final budget.

New York State's Home Care Workforce crisis is interconnected with another crisis in the home care sector: *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.

¹ PHI. "Workforce Data Center." Accessed 11/19/2021. <https://phinational.org/policy-research/workforce-data-center/>.

² 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).

Include the Fair Pay for Home Care in the Final Adopted Budget

Fair Pay for Home Care is a critical step to solving both the home care workforce crisis AND stabilizing the home care industry. It would establish 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 and operational costs, and investments in human infrastructure.

A fair wage increase funded with adequate reimbursement rates is a critical investment needed 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. We urge the Legislature to prioritize including Fair Pay for Home Care in the final budget.

We thank you for your time and consideration.

Adria Powell, *President/CEO, Cooperative Home Care Associates*

Jim Rolla, *Senior Vice President, Visiting Nurse Service of New York/Partners in Care*

Susan Brett, *Chief Operating Officer/SVP, People Care*

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Christy Johnston, *VP Governmental & Managed Care Services, Premier Home Health Care Services*

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