

HOUSE BILL REPORT

HB 1637

As Reported by House Committee On:

Health Care

Title: An act relating to enhancing the wages and benefits of long-term care paraprofessional workers providing care to the elderly and disabled.

Brief Description: Enhancing the wages and benefits of long-term care paraprofessional workers providing care to the elderly and disabled.

Sponsors: Representatives Edmonds (co-prime sponsor), Skinner (co-prime sponsor), O'Brien, McMorris, Conway, Kenney, Campbell, Kagi, Pflug, Kirby, Pennington, Cody, Ruderman, Schoesler, Lovick, Jackley, Schual-Berke, Anderson, Keiser, Schindler, Romero, Casada, Rockefeller, Miloscia, Morell, Mulliken, Santos, Van Luven and Hurst.

Brief History:

Committee Activity:

Health Care: 2/8/01, 2/20/01 [DPS].

Brief Summary of Substitute Bill

- The Department of Social and Health Services (DSHS) is directed to establish a wage enhancement program to raise the wages of both current and potential long-term care paraprofessional workers by an across the board \$1 in the year 2001 and an average of \$1 in 2002.
- The department is required to develop the standards and criteria for distributing and accounting for the wage enhancement.
- Participating agencies and organizations are required to submit appropriate data on eligible employees according to the department's criteria.
- The DSHS is required to distribute to all long-term care paraprofessional workers information about the federal earned income tax credit program.
- The Basic Health Plan is made available to 2,000 eligible individual provider employees as subsidized enrollees.
- All eligible long-term care workers will be offered the same educational privileges as state employees at participating colleges and universities. They must pay a \$5 registration fee.

HOUSE COMMITTEE ON HEALTH CARE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Campbell, Republican Co-Chair; Cody, Democratic Co-Chair; Schual-Berke, Democratic Vice Chair; Ballasiotes, Conway, Darneille, Edmonds, Edwards, Marine, McMorris, Pennington and Ruderman.

Minority Report: Do not pass. Signed by 1 member: Representative Alexander.

Staff: Antonio Sanchez (786-7383).

Background:

Long-term care services are intended to keep people with chronic conditions independent for as long as possible, most often through assistance and caring, not just curing. It is most often non-medical in nature, provided at home, and relies heavily on the direct hands-on care provided by paraprofessional workers. The types of Medicaid funded long-term care services most commonly used include:

Nursing home care - 24 hour nursing care; Adult family homes, boarding homes and assisted living; Chore services, and Medicaid COPES personal care.

Paraprofessional care workers provide 80 percent of the direct hands-on care in nursing homes and over 90 percent of the formal direct services in the home care setting. Despite the critical role long-term care paraprofessional workers play in the health care system they are lowest paid, have the highest turnover, and the lowest job satisfaction among all the long-term care workers. In Washington state long-term care workers are typically female (79 percent). Minorities make up one out of every four long-term care workers.

The increasing demand and insufficient supply of paraprofessional long-term care workers has been a serious issue raised by long-term care providers in the state of Washington (i.e. nursing homes, assisted living facilities, adult family homes, and home care agencies). Many long-term care providers have reported that paraprofessional staff turnover is at an all time high. Low wages, poor or non existent benefits, and lack of education are the major factors that have been identified by these providers as reasons for the for the "churning" or turnover of long-term care paraprofessional employees.

Factors creating an increasing demand for long-term care paraprofessional care workers include:

- The aging of the population;
- The increased reliance of people of all ages on home care as an alternative to hospitalization and nursing home placement;
- The expansion of home care coverage through Medicare and Medicaid;
- And the overwhelming preference of most people with disabilities and their families for home care;
- The financial pressures on hospitals;
- The development of post-acute care in nursing homes; and
- The trend towards a more integrated long-term care system.

According to the Bureau of Labor statistics, the services industries are expected to grow by 18.1 percent by the year 2006. Paraprofessional long-term care workers are the fourth-fastest growing occupation, with a dramatic 84.7 percent growth rate expected in the next five years.

As baby boomers reach old age and begin to require long-term care services, the pool of traditional long-term care workers is expected to be much smaller than it is today. In 1990 the ratio of the population in the average caregiving age range 50 to 64, to the population aged 85 and older was 11 to 1. By 2050 there will be only four potential caregivers for every elderly person. Nationally, there are approximately 1.9 million long-term care job openings. While the long-term care workforce will need to grow 70 percent over the next 10 years, the labor force is expected to grow only 1.2 percent per year.

The availability of paraprofessional long-term care workers is highly dependent on the local economy. In the state of Washington we have experienced an unemployment rate of around 4 percent during the past several years. Long-term care is very sensitive to the availability of competing low-wage jobs, especially because workers tend to be paid almost as much and sometimes more for flipping burgers than for providing essential personal care to elders with disabilities. A recent survey revealed that the top two reasons why CNAs leave their positions was, low wages and the stress of the job.

Summary of Substitute Bill:

WAGE ENHANCEMENT

The DSHS is directed to establish a wage enhancement program to raise the wages of long-term care paraprofessional workers by an across the board \$1 in the year 2001 and an average of \$1 in 2002. Workers who qualify for the wage increase include direct hands-on paraprofessional workers providing care to medicaid clients in nursing homes, boarding homes, adult family homes, and in in-home care settings. Janitorial, food service, and any other non-direct care staff are excluded from the wage enhancement. Also excluded are owners, operators, and managers of nursing homes, boarding homes, group homes, or adult family homes. The wage enhancement program is voluntary for providers.

The department is required to develop the standards and criteria for distributing and accounting for the wage enhancement. The wage enhancement is intended to be available for both current and potential workers. Participating agencies and organizations are required to submit appropriate data on eligible employees according to the department's criteria. The wage enhancement is intended only for the direct enhancement of both potential and current worker wages. Participating organizations are prohibited from arbitrarily reducing the wages of any eligible employees prior to the wage enhancement. Nursing homes wishing to participate in the wage enhancement program are directed how to calculate the wage enhancement within their reimbursement system.

INFORMATION ON THE FEDERAL EARNED INCOME TAX CREDIT PROGRAM

The DSHS is required to distribute to all long-term care paraprofessional workers information about the federal earned income tax credit program.

BASIC HEALTH CARE BENEFIT

The Basic Health Plan (BHP) is made available to 2,000 individual provider employees as subsidized enrollees. This basic health care benefit for eligible long-term care workers is made subject to a specific appropriation.

EDUCATION BENEFITS

All eligible long-term care workers will be offered the same educational privileges as state employees at participating colleges and universities. Eligible employees will be able to take classes free of charge except for a \$5 registration fee at participating state colleges and universities on a space available basis. All or a portion of the tuition may be waived under this provision.

Substitute Bill Compared to Original Bill:

The BHP benefit is limited to only 2,000 Individual Provider Program workers. Technical changes are made to direct the wage enhancement program to conform with the nursing home reimbursement system. A \$5 registration fee is required for long-term care workers utilizing the education benefit.

Appropriation: None.

Fiscal Note: Requested on February 1, 2001.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: Higher wages for long-term care workers will help stabilize the workforces in this dynamic environment and, in turn, increase the quality of care. If wages are not raised, there will be additional turnover. The elderly and disabled depend on these workers for their very lives. We need to pay them adequately for the valuable job they do.

Testimony Against: None.

Testified: Representative Edmonds, co-prime sponsor; Representative Skinner, co-prime sponsor; Louise Ryan, Residents Council of Washington and State Ombudsman's Office; Mike Swope; James Robert, Fred Lynn Residence; Dorothy Nelson; Jeff Grace; Jeanette Chambers; Lenell Washington; Natalie Brombacher; Barbara Fale; Kathi Taylor, Olycap Jefferson/Clallam; Kary Hyre, Long-term Care Ombudsman; Sue Elliott, Arc of Washington; Bruce Reeves, Senior Citizens Lobby; Ed Midkiff; Hilke Faber; Charles Reed; Caralee Cook, Heidi Jaback, Lili Kolditz and Dan Baker, CRSA; Jo Isgrigg, Providence Health System; Brandie Bulloct and Violetta Green, San Juan Care Center; Lynn Ford, Kim Ferner, Traci Ferris, and Taby May, Liberty Country Place; Christina Wuepper, Heidi Oxborn, and Tanya Merrill, Community Living; Hans Sendelback, Wright Enterprises; Mary Heron; and Willie Anderson.