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## Appropriations Committee

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### PSHB 2333

**Brief Description:** Providing parity for home care agency workers.

**Sponsors:** Representatives Green, Haler, Conway, Curtis, Fromhold, McDonald, Walsh, Strow, Sells, Campbell, Miloscia, Roach, P. Sullivan, Morrell, McDermott, Serben, Darneille, Appleton, Williams, Chase, Moeller, Hasegawa, Rodne, Linville, Santos, Springer, Wallace, Kenney, Cody, Ericksen, O'Brien, Wood, B. Sullivan, Simpson, Ericks, Ormsby and McCune.

#### Brief Summary Proposed Substitute Bill

- The Department of Social and Health Services (Department) will establish a formula to convert the cost of the compensation increases negotiated and funded by individual providers of home services into an hourly amount that will be added to the statewide agency home care provider vendor rate.
- The Department's contribution rate for health care benefits, including but not limited to medical, dental, and vision benefits, will be paid to agency providers of home services at the same rate as negotiated and funded for individual providers.
- For fiscal year 2007, the per hour amount added to the home care agency vendor rate will be limited to the cost of a 2 cents per hour wage increase and the cost of annual leave benefits negotiated and funded for individual providers of home care services

**Hearing Date:** 2/4/06

**Staff:** Bernard Dean (786-7130).

#### Background:

The state contracts with agency and individual home care workers to provide long-term care services to approximately 35,000 elderly and disabled clients who are eligible for publicly-funded services through the Department of Social and Health Services' (DSHS) Aging and Adult Services and Developmental Disabilities Programs. Home care workers provide DSHS clients with personal care assistance with various tasks such as toileting, bathing, dressing, ambulating, meal preparation, and household chores.

Individual providers have collective bargaining rights under Initiative 775. The law explicitly provides that wages, benefits, and working conditions are determined solely through collective bargaining. The Governor must submit, as a part of the proposed biennial or supplemental

operating budget submitted to the Legislature, a request for funds necessary to implement the compensation and fringe benefits provisions of a collective bargaining agreement entered into under the law. The Legislature must approve or reject the submission of the request for funds as a whole.

The 2005-07 budget includes funding to provide individual home care workers wages of \$9.20 per hour in fiscal year 2006 and an average wage of \$9.45 per hour in fiscal year 2007 pursuant to a seniority wage scale; provides state contributions for health care coverage, vision, and dental benefits that average \$506 per eligible worker per month; and provides paid vacation leave for every 50 hours worked in fiscal year 2007.

The collective bargaining law specifically applies to individual providers and does not include those home care workers employed by agency providers. Agency providers are reimbursed similar to other vendors that the state contracts with for publicly-funded human services. Vendor payment rates are established in the biennial operating budget. The enacted budget includes funding sufficient for provider payments of \$15.28 per hour in fiscal year 2007 and \$15.59 per hour in fiscal year 2008. The state also subsidizes the cost of health care benefits for those agency home care workers employed through state contracts for at least twenty hours a week. Beginning in the 2005-07 biennium, a limit on the per worker per month state contribution to the cost of health care benefits is specified in the budget.

**Summary of Proposed Substitute Bill:**

The Department of Social and Health Services (Department) will establish a formula to convert the cost of the compensation increases negotiated and funded by individual providers of home services into an hourly amount that will be added to the statewide agency home care provider vendor rate.

The formula will account for the increase in the average cost of worker's compensation for home care agencies and application of the increases identified in the hourly amount added to the agency provider vendor rate to all hours required to be paid, including travel time, of direct service workers under the wage and hour laws and associated employer taxes.

The Department's contribution rate for health care benefits, including but not limited to medical, dental, and vision benefits, will be paid to agency providers of home services at the same rate as negotiated and funded for individual providers.

For fiscal year 2007, the per hour amount added to the home care agency vendor rate will be limited to the cost of a 2 cents per hour wage increase and the cost of annual leave benefits negotiated and funded for individual providers of home care services.

**Appropriation:** None.

**Fiscal Note:** Available on original bill.

**Effective Date:** The bill takes effect July 1, 2006.