

***Health Care Committee***

***HB 1637***

***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 Summary of Bill***

- *The Department of Social and Health Services 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.*
- *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 Department of Social and Health Services 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 all eligible employees as subsidized enrollees with their premium set at \$10.*
- *All eligible long-term care workers will be offered the same educational privileges as state employees at participating colleges and universities.*

**Hearing Date:** 2/8/01

**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 para professional 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 ten 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 CNA's leave their positions was, low wages and the stress of the job.*

### **Summary of Bill:**

#### **WAGE ENHANCEMENT**

*The Department of Social and Health Services 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.*

#### **INFORMATION ON THE FEDERAL EARNED INCOME TAX CREDIT PROGRAM**

*The Department of Social and Health Services 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 is made available to all eligible employees as subsidized enrollees with their premium set at \$10. 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 at participating state colleges and universities on a space available basis. All or a portion of the tuition may be waived under this provision.*

***Appropriation:*** *None.*

***Fiscal Note:*** *Requested on February 1, 2001.*

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