

HOUSE BILL REPORT

HB 1777

As Reported by House Committee On:
Appropriations

Title: An act relating to implementing the collective bargaining agreement between the home care quality authority and individual home care providers.

Brief Description: Implementing the collective bargaining agreement between the home care quality authority and individual home care providers.

Sponsors: Representatives Morrell, DeBolt, Cody, Benson, Sullivan, Woods, Pettigrew, McDonald, Wallace, Priest, Simpson, Roach, Grant, Hinkle, Santos, Jarrett, Hunt, Blake, Dunshee, Conway, Kirby, Hankins, Clibborn, Linville, Kagi, Kessler, Kenney, Schual-Berke, Darneille, Rockefeller, Wood, Lovick, Campbell, McDermott, Hudgins and Edwards.

Brief History:

Committee Activity:

Appropriations: 2/27/03, 3/12/03 [DP].

Brief Summary of Bill

- Modifies Basic Health Plan (BHP) eligibility to extend subsidized managed care benefits to all individual home care providers who are under contract with the Department of Social and Health Services and who are determined to be eligible for such benefits pursuant to the collective bargaining agreement between the Home Care Quality Authority (HCQA) and the exclusive bargaining representative of individual providers.
- Makes appropriations totaling \$192.8 million in state and federal funds, for the purposes of implementing the collective bargaining agreement between individual home care workers and the HCQA.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 19 members: Representatives Sommers, Chair; Fromhold, Vice Chair; Pearson, Assistant Ranking Minority Member; Alexander, Cody, Conway, DeBolt, Dunshee, Grant, Hunter, Kagi, Kenney, Kessler, Linville, McDonald, McIntire, Miloscia, Ruderman and Schual-Berke.

Minority Report: Do not pass. Signed by 6 members: Representatives Sehlin, Ranking Minority Member; Buck, Clements, Cox, Sump and Talcott.

Staff: Bernard Dean (786-7130).

Background:

The state contracts with agency and individual home care workers to provide long-term care services for elderly and disabled clients who are eligible for Medicaid 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. Although these home care workers are paid by the state, they are not considered "public employees."

In November 2001, citizens enacted Initiative Measure No. 775 (I-775). The initiative provided individual home care workers with collective bargaining rights under the public employees' collective bargaining law. The measure also established the Home Care Quality Authority (HCQA) as an agency of state government to provide oversight of home care services and to function as the "employer" of approximately 26,000 individual home care workers solely for the purposes of collective bargaining.

Under current law, the state pays these individual providers \$7.68 per hour; pays the employer share of social security, medicare, and unemployment insurance taxes; and for those workers with incomes below 200 percent of the federal poverty level, pays all but \$10 of the monthly premium for workers who choose to enroll in the state's Basic Health Plan (BHP).

Individual home care workers voted to unionize in August 2002, and they selected the Service Employees International Union (SEIU) as their statewide bargaining representative. The SEIU and the HCQA have agreed on a contract that includes raises, worker's compensation, and health care benefits for individual home care providers. Home care workers ratified this agreement in late December 2002.

In accordance with I-775, the Governor must submit a request to the Legislature for funds and any legislative changes necessary to implement the collective bargaining agreement within 10 days of ratification. While not included in the Governor's 2003-05 operating budget proposal, the Governor's request for funds to implement the agreement includes \$192.8 million in state and federal resources.

The Legislature may only approve or reject the submission of the request for funds as a whole. If the Legislature rejects or fails to act on the submission, the collective bargaining agreement would be reopened solely for the purpose of renegotiating the funds necessary to implement the agreement.

Summary of Bill:

Basic Health Plan (BHP) eligibility for individual home care providers who are under contract with the DSHS is modified by creating a third subsidized category of BHP enrollees specifically for individual providers. BHP eligibility and the monthly premiums for individual provider enrollees will be determined pursuant to the terms of the collective bargaining agreement between the HCQA and the exclusive bargaining representative of individual providers. Additionally, individual home care providers are exempted from the 200 percent federal poverty limit on BHP eligibility.

The Administrator of the HCA is authorized to bid managed health care contracts for the three categories of subsidized BHP enrollees separately to reduce the potential adverse impacts on the cost of coverage.

The bill makes appropriations totaling \$192.8 million to implement the collective bargaining agreement between the HCQA and the exclusive bargaining representative of individual providers, including:

- An appropriation of \$61,373,000 General Fund-State and \$59,653,000 General Fund-Federal to the DSHS to increase the wages of state-funded individual providers from \$7.68 per hour to \$8.70 per hour in fiscal year 2004 and to \$9.75 per hour in fiscal year 2005;
- an appropriation of \$15,792,000 General Fund-State and \$15,332,000 General Fund-Federal to the DSHS to provide health insurance coverage to state-funded individual providers through the BHP or an equivalent health plan determined by the terms of the collective bargaining agreement between the HCQA and the exclusive bargaining representative of individual providers;
- an appropriation of \$150,000 General Fund-State to the HCA for administrative costs associated with providing health insurance coverage to state-funded individual providers through the BHP or an equivalent plan determined by the terms of the collective bargaining agreement between the HCQA and the exclusive bargaining representative of individual providers. If an equivalent plan is purchased under the terms of the collective bargaining agreement, the HCA will transfer the funds in this appropriation to the DSHS;
- an appropriation of \$20,293,000 General Fund-State and \$19,724,000 General Fund-Federal to the DSHS to provide worker's compensation benefits to state-funded individual providers through the Department of Labor and Industries; and
- an appropriation of \$477,000 General Fund-State for costs associated with ongoing administrative, labor, and employment relations costs determined by the collective bargaining agreement between the HCQA and the exclusive bargaining representative of individual providers.

Appropriation: \$98,085,000 from General Fund-State and \$94,709,000 from General

Fund-Federal moneys.

Fiscal Note: Not Requested.

Effective Date: The bill takes effect July 1, 2003.

Testimony For: In order to value the people that are being cared for, we must value the care givers. This legislation will implement and fund the collective bargaining agreement between the home care workers and the Home Care Quality Authority.

The reason unions exist is to unite workers to raise their standards, wages, and benefits; improve working conditions; and to help workers get power and a voice. There is no greater injustice than the shameful level of wages and the complete lack of benefits being paid to our home care workers. The work home care workers perform is difficult and saves the state money by delaying entry into a more expensive residential setting, such as a nursing home.

Many seniors find it difficult to find someone to care for them due to the level of wages paid to home care workers. This bill will stabilize the workforce. The current rate of \$7.68 per hour does not come close to the living wage standard. Washington ranks 43rd in median hourly wage rates for individual providers when compared to the state's median hourly wage of \$13.33 per hour for this type of work.

We all want quality, compassionate care, and fair wages for home care workers will ensure that elderly and disabled people can live with dignity.

Testimony Against: None.

Testified: Representative Morrell, prime sponsor; Jim Lindley, Center for Independence; Julie Watts, Washington Association of Churches; Suzanne Dale Estey, King County Executive's Office; David Rolf, Janet Rodreiguez, and Randy Decker, Service Employees International Union; Katrinka Gentile, State Independent Living Council; Kathy Taylor and Benita Hyder, Office and Professional Employees International Union; Lauren Moughon, American Association of Retired Persons; Mindy Schaffner and Stephanie Landaas, Home Care Quality Authority; Robbie Stern, Washington State Labor Council; Nick Federici, Washington State Association of Home Care Services; Kevin Glackey-Coley, Washington State Catholic Conference; Allen Morrow, Senior Citizens Lobby; Richard Dorsett, Washington Association of Area Agencies on Aging; and Patrick Farrell, Northwest Chapter of Paralyzed Veterans, and the Governor's Committee on Disability and Employment Issues.