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**Appropriations Committee**

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**HB 1777**

**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 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.

**Hearing Date:** 2/27/03

**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. While 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 selected the Service Employees International Union (SEIU) as its 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:**

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.