

HOUSE BILL REPORT

HB 2333

As Reported by House Committee On: Appropriations

Title: An act relating to parity for home care agency workers.

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 History:

Committee Activity:

Appropriations: 2/4/06 [DPS].

Brief Summary of 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.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 28 members: Representatives Sommers, Chair; Fromhold, Vice Chair; Alexander, Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Armstrong, Bailey, Buri, Chandler, Clements, Cody, Conway, Darneille, Dunshee, Grant, Haigh, Hunter, Kagi, Kenney, Kessler, Linville, McDermott, Miloscia, Pearson, Priest, Schual-Berke, P. Sullivan, Talcott and Walsh.

Minority Report: Without recommendation. Signed by 2 members: Representatives Anderson, Assistant Ranking Minority Member and Hinkle.

Staff: Bernard Dean (786-7130).

Background:

The state contracts with agencies 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 similarly 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 20 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 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.

Substitute Bill Compared to Original Bill:

A number of clarifying technical changes are specified. A new section is added to clarify that the add-on rate increases provided to home care agencies in Fiscal Year 2007, correspond to a 2 cents per hour wage increase and annual leave benefits. An effective date of July 1, 2006, is specified.

Appropriation: None.

Fiscal Note: Available on original bill.

Effective Date of Substitute Bill: The bill takes effect July 1, 2006.

Testimony For: (Substitute bill) The state contracts with individual providers and agency providers to provide home care services. Agency home care workers should receive the same wages and benefits that individual providers receive. It has been difficult to establish the concept of parity in recent years. Agencies are required to pay travel time and all wages paid under the wage and hour laws. Parity has only been fully funded in one out of eight years. This bill would provide for full parity. Currently, agency providers are at risk. There are concerns about closures, such as Visiting Nurse Services in Snohomish County. The bill also provides a positive impact for community action agencies that serve rural areas by paying for the travel and mileage costs that these agencies incur for traveling from one client's home to another.

Testimony Against: None.

Persons Testifying: (In support) Donna Christensen, Washington Association of Home Care Agencies; Melissa Johnson, Addus Health Care; Benita Hyder, Office and Professional Employees International Union Local 8; Nick Federici, Home Care Coalition; and Susie Young, Service Employees International Union 775.

Persons Signed In To Testify But Not Testifying: None.