

# SENATE BILL REPORT

## SB 6145

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As Reported By Senate Committee On:  
Ways & Means, February 7, 2006

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

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

**Sponsors:** Senators Keiser, Zarelli, Franklin, Esser, Doumit, Benson, Pridemore, Roach, Poulsen, Schmidt, Kohl-Welles, Fairley, Kline, Weinstein, Berkey, Rasmussen and Benton.

**Brief History:**

**Committee Activity:** Ways & Means: 2/7/06 [DPS].

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Substitute Senate Bill No. 6145 be substituted therefor, and the substitute bill do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Doumit, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Fairley, Kohl-Welles, Parlette, Pflug, Pridemore, Rasmussen, Roach, Rockefeller and Schoesler.

**Staff:** Tim Yowell (786-7435)

**Background:** Through the Department of Social and Health Services (DSHS), the state will pay for in-home care services for an average of about 33,000 children and adults with disabilities each month this biennium, at a biennial state and federal cost of just under \$1 billion. Services are delivered both by individuals, often family members, who work as independent contractors; and also by homecare agencies. The individual contract provider program accounts for about 60 percent of the persons served and budget, and homecare agencies for the remaining 40 percent.

Under Initiative 775, enacted by the voters in 2001, wages and benefits for individual providers are collectively bargained between their union and the Governor, with the contract subject to binding interest arbitration and to legislative appropriation. The individual provider arbitration order funded in the current biennial budget includes a wage increase of about 26 cents per hour each year; state contributions to medical coverage at the rate of \$450 per covered worker per month this year and \$500 per covered worker per month next year; state contributions to dental and vision insurance at the rate of \$30 per covered worker per month this year and \$32 per covered worker per month next; and one hour of paid vacation leave for every 50 hours worked.

Homecare agency payment rates are not subject to collective bargaining, but are instead established by DSHS within appropriation levels and conditions established by the Legislature. Legislative practice has been to require contracting homecare agencies to pay at least the same average hourly rate as established for IP's, and to increase homecare agency

payment rates by the same hourly rate as funded for the individual provider program. However, such increases are at the discretion of the Legislature. During the current biennium, homecare agency payment rates were adjusted for the hourly wage increase, but were not increased to include the longevity wage scale and vacation benefits that were awarded IP's.

The state pays for health care benefits for homecare agency employees on a direct cost reimbursement basis, outside of the standard homecare agency payment rate. Between fiscal years 1996 and 2005, these were paid on a defined benefit level basis, with the benefit level pegged to the state's Basic Health Plan (BHP). In the current biennial budget, the homecare agency medical benefit was converted to a defined contribution, with the contribution level set at the projected average monthly cost for state employee medical coverage, less the \$17 minimum monthly co-premium charged BHP enrollees: \$380 per covered worker per month this year, and \$414 per covered worker per month next year.

**Summary of Substitute Bill:** Whenever increased wages or benefits are funded under the individual provider collective bargaining agreement, homecare agency hourly payment rates are increased to include the same increases. The hourly agency increases include all wage, benefit, or other compensation increases funded for the individual provider program, and also any increases in the average homecare agency workers' compensation cost. The payment rate increases account for all hours direct service employees are paid under wage and hours laws.

The state pays for agency homecare worker medical, dental, and vision benefits at the same contribution level funded for individual providers.

**Substitute Bill Compared to Original Bill:** The bill as referred to committee was not considered.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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

**Testimony For:** All homecare agencies are in favor of the bill because it would resolve inequities between compensation for homecare agency employees and individual providers of care. Reimbursing mileage and travel time is particularly important for rural providers. There should be equal pay for equal work. The formula established by the bill will be a lasting and ongoing means for defining how much needs to be added to homecare agency rates when compensation increases are funded for individual providers.

**Testimony Against:** None.

**Who Testified:** PRO: Nick Federici, Washington State Homecare Coalition; Eddy Hayes, SEIU Local 775; Donna Christenson, Washington Catholic Conference and Washington State Homecare Coalition.