
Ways & Means Committee

HB 2073

Brief Description: Concerning the contribution rate for the health care benefits for certain home care workers.

Sponsors: Representative Hunter; by request of Department of Social and Health Services.

Brief Summary of Bill

- Modifies the state contribution rate for agency home care workers' health care benefits by making the rate an amount set out in the omnibus appropriations act.

Hearing Date: 4/13/11

Staff: Carma Matti-Jackson (786-7140) and Chris Cordes (786-7103).

Background:

The Department of Social and Health Services' (DSHS) Aging and Disability Services provides publicly funded personal care to approximately 48,000 eligible clients who are elderly or have developmental disabilities and live in their own home. Personal care services include assistance with various tasks such as toileting, bathing, dressing, ambulating, meal preparation, and household chores. There are two ways in which personal care services may be provided in the client's home: 1) by an individual provider, or 2) by an employee of a home care agency (agency provider). Hours that are authorized for client care are based on a common needs assessment tool and are the same regardless of which type of worker provides care for the client.

Individual Providers.

Individual providers are hired and supervised by the client they care for and each worker is paid through a direct contract with the DSHS. The client is responsible for verifying the hours of service an individual provider provides. Individual providers who contract with the DSHS have collective bargaining rights regarding wages, health benefits, and other issues. Pursuant to the collective bargaining agreement, all individual providers are paid on the same seniority-based wage scale and receive their health benefits through the Multiemployer Health Benefits Trust.

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Their rate of compensation is established through a collective bargaining agreement as funded in the state omnibus operating appropriations act.

Agency Providers.

There are approximately 60 licensed home care agencies with which DSHS contracts to provide publicly funded in-home care. Each agency is responsible for hiring, supervising, and compensating its own employees. The agency works with the client to determine a work schedule and then provides an agency employee (agency provider) to care for the client. Agency providers are required to electronically track their hours of service and the hours are verified by an agency supervisor. Agencies are paid through contracted vendor rates which include administrative overhead. Each agency is responsible for its own wage scale and for the provision of health benefits to its employees. Some agencies are on the same wage scale as individual providers, and some are not. Some agencies purchase health care through the Multiemployer Health Benefits Trust, and others do not.

Agency Parity.

In 2006 agency parity was enacted by the Legislature. By statute, when compensation changes are negotiated and funded through the collective bargaining agreement, the DSHS must provide the same incremental change in the funding level to the agencies through the agency vendor rates. By statute the DSHS must, in determining the agency vendor rate, create a formula that converts the individual provider increases in wages and other specified items into a per hour rate. This per hour rate is added to the agency vendor rate to be used exclusively for improving the wages and benefits of agency home care workers.

Health Benefits.

The state contribution to the agency vendor rate for health care benefits, which includes at least medical, dental, and vision benefits, is paid at the same rate as negotiated and funded in the collective bargaining agreement for individual providers. The 2009-11 collective bargaining agreement for individual providers requires the state to contribute up to \$620.85 per eligible participating member month. For individual providers, this is paid on a per-eligible-per-month flat rate of \$620.85. For agencies, this is paid based on historical expenditures for eligible participants up to \$620.85 per month.

The 2011-13 tentative collective bargaining agreement converts payments for health benefits to a cents-per-hour payment methodology.

Summary of Bill:

The state contribution rate for agency home care workers' health care benefits is modified. Instead of being based on the rate negotiated and funded in the individual provider collective bargaining agreement, the contribution rate is the amount set out in the omnibus appropriations act or any amendment to that act.

This contribution will fund the home care agencies' purchase of health coverage for workers who work for state-funded personal care or respite clients at least 86 hours per month.

The reference to health care benefits including at least medical, dental, and vision benefits is deleted.

Appropriation: None.

Fiscal Note: Requested on April 11, 2011.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2011.