

HOUSE BILL REPORT

HB 2073

As Reported by House Committee On: Ways & Means

Title: An act relating to the contribution rate for the health care benefits for certain home care workers.

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 History:

Committee Activity:

Ways & Means: 4/13/11, 4/15/11 [DPS].

Brief Summary of Substitute Bill

- Modifies the state contribution rate for agency home care workers' health care benefits by making the amount to be added to the statewide home care agency vendor rate the amount that is set out in the omnibus operating appropriations act.

HOUSE COMMITTEE ON WAYS & MEANS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 14 members: Representatives Hunter, Chair; Darneille, Vice Chair; Carlyle, Cody, Dickerson, Haigh, Hudgins, Hunt, Kagi, Kenney, Pettigrew, Seaquist, Springer and Sullivan.

Minority Report: Do not pass. Signed by 12 members: Representatives Hasegawa, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Chandler, Haler, Hinkle, Ormsby, Parker, Schmick and Wilcox.

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

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

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. 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 the DSHS contracts through Area Agencies on Aging 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 month for each eligible participant. 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. There are two options provided for this conversion in the tentative collective bargaining agreement:

1. Health benefits for eligible publicly funded agency homecare workers and individual providers would be modified to one payment methodology and paid at \$2.21 per hour. Payments from the 2009-11 collective bargaining agreement for individual providers would be modified from a funding level equivalent to about \$1.83 per hour. Payments paid to home care agency providers in 2009-11 would be modified from a funding level equivalent to about \$2.86 per hour.
2. Individual provider health benefits would be paid at \$1.96 per hour and agency provider benefits would be funded outside the collective bargaining agreement.

Summary of Substitute 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 amount to be added to the statewide home care agency vendor rate will be set out in the applicable omnibus operating appropriations act.

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

Substitute Bill Compared to Original Bill:

The substitute bill removes the reference to funding health care benefits for agency providers who work at least 86 hours per month. It also clarifies changes including specifying that: (1) the covered agency providers are those who provide direct care to state-funded clients; and (2) the amount set out in the applicable budget is added to the statewide vendor rate, rather than describing the rate as an amount paid to the home care agency.

Appropriation: None.

Fiscal Note: Requested on April 11, 2011.

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

Staff Summary of Public Testimony:

(In support) None.

(Opposed) Agency providers provide the same home care service as individual providers, and all providers should be treated equally. The parity law has been successful in providing health care for agency providers. Cutting those benefits is unfair and will reduce the home care agencies' ability to attract the best workers. It will also affect their clients, because agency providers will migrate over to become individual providers. This will weaken the services of home care agencies. This jeopardizes choice for about 6,000 clients. A client will also suffer if an agency provider can no longer afford his or her medicine, becomes ill, and is unable to provide care. Many agency providers are medically fragile with high acuity levels. They are expensive to insure, and coverage will be put at risk if premiums rise too much. If they do not receive medical care, some agency providers will be forced onto disability and will no longer be productive members of society. The Legislature should look for other ways to save the money in the budget.

Persons Testifying: Ryan Jacobson, Addus Home Care; Fran Rankin, Catholic Community Services; Jerry Reilly, Washington Home Care Coalition; Trisha Reeves, Paula Burr, and Valerie Anderson-Webb, Service Employees International Union 775; Sharon Bowers, Sunrise Services; and Joe King, Group Health Cooperative.

Persons Signed In To Testify But Not Testifying: None.