



Statement of the Pennsylvania Homecare Association

In front of the

**House Aging & Older Adult Services Committee
Harrisburg, Pennsylvania
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**Presented by
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Good morning. My name is Karen Kulp. I'm the President and Chief Executive Officer of HomeCare Associates and a member of the Pennsylvania Homecare Association.

Founded in 1993, HomeCare Associates (HCA) is a Philadelphia-based, worker-owned cooperative that specializes in the provision of compassionate and skilled assistance given by trustworthy aides. At HCA we have trained and placed more than 1,000 people in quality healthcare jobs and currently employ more than 150 workers. As shareholders in the company, HCA aides have a stake in their own futures and take great pride in providing excellent care for each and every client. All aides receive excellent benefits that include health insurance, transportation and higher-than-average wages. These benefits serve as a significant job retention factor.

On any given week throughout Pennsylvania, homecare professionals care for more than 190,000 Pennsylvanians in their own homes, employing more than 47,000 direct care workers. Consumers receiving in-home care range from newborns with special medical needs, toddlers with developmental disabilities, young and middle aged adults with terminal illnesses, and of course, the greatest consumers of our care: senior citizens.

I commend the committee for holding this hearing to stimulate further discussion around the increasing need for direct care workers and the challenges the state will face in addressing this rapidly growing demand. The Governor's Office of Health Care Reform issued a report in December 2007 *Addressing Pennsylvania's Direct Care Workforce Capacity*. In the report, it was projected that "by 2014, Pennsylvania will need an additional 24,610 direct care workers – a 19 percent increase – or a rate of growth nearly three times the state average for all occupations."

That's the challenge we face here today. The question is, how do we recruit and retain these frontline caregivers and provide them with the requisite training and resources to perform their jobs while paying them a fair and adequate wage that includes health care benefits.

First it's important to define who is a direct care worker. Direct care workers are known by many titles that include nurse aide, nurse assistant, home health aide, personal care assistant, personal care attendant or direct support professional. It does not matter what nomenclature is used to describe this valuable workforce, their tasks remain the same. They serve on the frontline of the health care continuum. They provide direct, hands-on care for ill, injured or disabled individuals wherever the consumer may live. Whether it's changing bed linens, providing skin care or grooming, planning

and preparing meals, supplying respite care, bathing or helping people get in and out of bed, the direct care workforce takes on these tasks with fervor and gusto that endears them to the individuals they care for.

Yet, too often these same caregivers are also members of the working poor. The following chart shows the employment and wage data for direct care workers in Pennsylvania according to the U.S. Bureau of Labor and Statistics, Occupation Employment Statistics, May 2006.

Occupation	Employment	Median Hourly	Mean Hourly	Mean Annual
Homecare Aide	16,310	\$8.94	\$9.01	\$18,730
Home Health Aide	30,910	\$9.06	\$9.16	\$19,060
Nursing Aide	71,060	\$10.79	\$11.05	\$22,980

These numbers are significantly less than the mean hourly wage of \$17.46 and mean annual wage of \$36,320 for all Pennsylvania workers. For home health and homecare aides, even the mean annual salary puts them below the federal poverty guidelines for a family of four.

Another challenge is the high rate of turnover of direct care workers. Turnover rates range from 29 percent in home health agencies to 24 percent for private duty agencies according to *The State of the Homecare Industry in Pennsylvania* report prepared by the University of Pittsburgh. The high rate

of turnover rates has a negative effect on the quality of service available to consumers and creates gaps in coverage.

In Pennsylvania we need to do a better job of recognizing the value of the direct care workforce to ensure that there is a future workforce while seeking to deliver solutions to reduce the turnover of these employees.

To do that we, as a state, must address the key issues and challenges facing direct care workers and their employers:

- **Adequate reimbursement:** The pervasive low level of reimbursement for homecare agencies providing aide and personal care worker services continues to hinder the industry's ability to compete with large retail chains. For example, the rates under the Aging Waiver program vary across the state range from as low as \$15.20 per hour in Philadelphia county to as high as \$28.65 per hour in neighboring Delaware county. These rates have been in place for many years without a cost of living increase for providers. The disparity in the rates across the Commonwealth places a tremendous burden on employers to maintain a positive bottom line in light of the impact of rising gasoline prices, increasing health insurance and workers' compensation rates and other administrative and operating costs.

- **Access to full-time work:** The lack of consistent hours also has a tremendous impact on direct care workers. Many workers are seeking full-time employment (35 hours +) but are unable to obtain an adequate number of hours due to reductions in the number of hours ordered through the Aging Waiver as a result of the Care Plan Review process. A lack of consistent hours is an incredible barrier to maintaining a viable workforce.
- **Adequate compensation:** Many direct care workers are not in it for the money. However, that does not mean they do not need to be adequately compensated. Employers alone cannot address this challenge. The government, private payers and employers need to work together to find a way to ensure adequate compensation for this workforce that not only recognizes the needs of the workers but the costs that impact employers. Compensation must also include access to affordable and accessible health insurance coverage.
- **Appropriate training:** Training must be provided to direct care workers not only to ensure a skilled workforce that provides quality care but also serve to offer opportunities for career advancement. Training programs should, at a minimum, meet

standards and be portable across all long-term care settings. In addition, it is important to recognize that there is a cost associated with training, therefore consideration of the price tag attached to training needs to take into account the cost to both employers and employees.

- **Workplace culture:** A positive work environment is another challenge facing many direct care workers. In homecare, many of these individuals work alone in people's homes. In this type of setting it is very important to have a workplace culture that involves the workers in some of the workplace decision-making and other workplace practices. We must also have well-trained supervisors who support and encourage the frontline workforce.

Pennsylvania homecare agencies are very supportive of training and ongoing professional development for all staff. Our state trade association, the Pennsylvania Homecare Association has been and remains very supportive of enhanced training for direct care workers. Over the last several years, PHA has participated in the *Better Jobs Better Care Project*, held the first direct care workers state conference, offered online training for aides and established a Supervisory Academy to improve and enhance relationships between frontline workers and management.

Enhancing the level of quality in-homecare was also the driving force behind enacting licensure for non-medical homecare agencies. In July of 2006 the Governor signed Act 69, which will license non-medical homecare agencies and registries. For 12 years PHA lobbied to have this licensure passed because providers believe in consumer protections and minimal operating standards. The statute also requires training standards for all non-medical direct care workers, while providing the flexibility for employers to adapt their training methods to the unique needs of their agency.

For this Commonwealth to meet the future needs of Pennsylvania's senior and chronically ill citizens; we must take action now to strengthen our frontline workers whose care and support enables thousands of older and disabled Pennsylvanians to remain in their own homes.

Recognizing that by 2030 Pennsylvania will have more people over the age of 65 than we will have school age children, we must be prepared by enhancing the direct care worker profession by offering solid training and fair salaries. This can be achieved by the state funded training subsidies, improved Medicaid rates; containing the rising costs of health insurance; recognizing the impact rising gasoline prices has on in-home care and creating a long-term care system that truly provides consumers with a choice as to where they received care.

Thank you for this opportunity to share my insights into the direct care workforce challenges and I would be happy to answer any questions you may have.

Thank you.