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## Auerbach Consulting Inc.

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I am Roger Auerbach, an independent consultant on long-term care issues. The focus of my consulting work is to help federal, state and local governments, providers, consumers and advocacy organizations develop systems which deliver quality, cost-effective services responsive to consumer needs and preferences. Most of my work is directed to building state capacity for home and community-based services and providing consumers and their families understandable, reliable and timely information from which to make choices for care. Since I began consulting in 2001, I have provided substantive advice for clients working in 44 states.

### The Challenge of Meeting the Demand for Quality In-Home Services

Prior to consulting, I was the Director of Oregon's Senior and Disabled Services Division, responsible for all publicly-funded long-term care programs for older adults and adults with physical disabilities. It was in this capacity that I first confronted the issues surrounding the supply and quality of home care services.

In 1981 the State of Oregon committed itself to systematically change long term care by declaring that all citizens be allowed "to live independently at home or with others as long as the citizen desires without requiring inappropriate or premature institutionalization". To accomplish this goal, the state developed a variety of community-based residential care options including a popular "client-employed provider" program, funded under a Medicaid home and community-based waiver, providing personal care and other in-home services. Today over 80% of Medicaid beneficiaries needing long-term care are receiving those services at home and in the community and about half of them were receiving services delivered by independent home care providers and home care agencies.

My first real recognition of the challenges of recruiting and retaining a quality home care workforce came in 1997 when the state raised the minimum wage. Because the minimum wage has just been increased by .75/hour, most of our in-home care providers were now being paid about .05/hour above the minimum wage. It was not long before I discovered how incredibly difficult recruiting and retaining a workforce would be paying barely above minimum wage. In addition, the number of people receiving in-home services had grown about 25% in the past three years. Convincing policy-makers to increase the wages of these workers, who had no organized provider advocacy organization,

was a very difficult proposition. First, there had to be recognition of the value of and demand for these services; then, the understanding that failure to invest in these workers' wages would cause a reduction in available home care services likely leading to the need for more expensive institutional care.

In the year 2000, I was introduced to an innovative method to address the issues of maintaining a sufficient supply of quality home care providers-what in Oregon is called a home care commission. The Oregon Home Care Commission was created to provide referrals of qualified home care providers to the elderly and people with disabilities, provide training opportunities for home care workers and consumers, establish qualifications for home care workers, establish and maintain a registry of qualified home care workers and serve as the "employer of record" for purposes of collective bargaining for home care workers hired directly by a client and paid by the state. I was involved in the initial discussions of how the Commission was to be implemented and have followed its progress and that of other similar entities in 6 other states.

Entities such as the proposed Personal Care Attendant Quality Home Care Workforce Council can be a great benefit to a state in many ways. First, it provides a focal point for the State to address a vital issue for its citizens. Individuals needing long-term services want those services delivered in their homes. This is a well-documented, rapidly-growing trend. Every survey I have seen shows well over 90% of people wish to receive services at home for as long as they possibly can. Additionally, it is very clear that the cost of services is much less expensive than any other form of long-term care.

I emphasize the "focal point" aspect of a Council because of what I have seen in states around the country who have begun work on the vital issue of increasing the number of qualified home care workers. In all states, workforce development programs are operated in different government departments from long-term care programs. When the human services agency realizes how important this workforce is to citizens and containing expenditures, it then has to convince the workforce agency that it should invest its resources in this workforce to enhance the skill level and supply of these workers. This process always takes a long time, needs constant reinforcement and has not proven very successful. Workforce agencies generally have not had a great focus on low-wage workers. Thus, the single focus of a workforce council is incredibly beneficial.

Next, these Councils have provided support systems for both consumers and workers to make it easier for consumers to hire qualified workers and direct their own care. As I explain below, Councils have created worker registries which consumers can access to find a qualified worker who has been screened in many ways such as with criminal background checks, work status, personal

references and skills training. In addition, many Councils also coordinate administrative functions such as processing payroll and benefits.

Councils have also very successfully implemented training programs for both the workers and the consumers. Workers are learning valuable skills from these trainings and are becoming very knowledgeable about specific issues such as dementia. Consumers are being trained to be good employers and learn communication skills that can help them further train the worker on how they best want their care delivered.

Finally, Councils have served as an employer of record for purposes of collective bargaining and many independent provider workers have chosen to organize themselves and have successfully bargained for higher wages and new health and worker's compensation benefits. While home care is still a low-wage occupation, increased wages make this more attractive work and the addition of health benefits specifically have been shown to be a positive factor in people coming to work as home care workers and staying with this profession.

### Home Care Councils

As I have briefly discussed above, these Councils have similar core functions:

1. Develop and maintain a registry of qualified, independent providers
2. Provide access to training for home care workers
3. Provide access to training for consumers who self-direct their care
4. Serve as employer of record for collective bargaining

At the end of this testimony, I will provide more detail about how each of these Councils are implementing these functions. Now, I would like to address in a more general way how these entities have helped meet the goals of helping consumers remain supported and independent in their own homes by expanding the number of qualified providers.

### Results

#### Developing a Registry of Qualified Independent Providers

All of the state and county councils have developed and maintain a registry which matches consumer needs to worker skills and availability. Most employ matchable databases and all help publicly-supported consumers to obtain the most appropriate provider. As many independent providers are often recruited

from family and friends, many consumers do not need registry assistance. However, many utilize the registry and find providers through this process. Conversely, providers who are not working or desire more work can also use the registry to let consumers know they are qualified and available for employment.

Consumers have been using the registries for many years and have found them very useful. Without such a registry and without knowing someone who might do the necessary work, consumers would need to advertise for a worker and have to do all the screening themselves. This vital process is greatly simplified and streamlined by using the registry. Having the Council do the screening and refer workers who have the skills to meet the needs of the consumer makes it much more likely that the hiring process will be successful and the provider-consumer relationship will also be successful.

#### Training for Workers and Consumers

As noted below, most states and counties have developed extensive training programs for the home care workforce and for consumers as employers of home care workers. Generally, surveys done by these states show high satisfaction with this training and a desire for more (75% of Washington providers said they take advanced training if available). Although I am not familiar with any studies linking this training with increased quality, consumers show very high satisfaction with their providers in these states, providers feel valued due to the investment in their skills and consumers appreciate the training that they receive as employers and that their workers have these educational opportunities.

#### Employer of Record for Collective Bargaining

There can sometimes be confusion about what it means that a Council is an employer of record while the consumer is, in fact, the employer. All of these Councils have very distinct employer functions that are different than those of the consumer/employer. There is no duplication or conflict. The Council supports the consumer and workers by securing administrative functions like payroll and benefits administration and can bargain with an employee organization. Consumer/employers retain the right to hire, fire, train, schedule and otherwise manage the activities of the worker.

Consumer/employers have been very satisfied with the work of the Council with their role as employer of record. Consumers have wanted their providers to receive better wages and have health insurance and worker's compensation, but these benefits are both extremely difficult to obtain and extremely expensive to purchase on an individual basis. The Councils that have existed

the longest now all provide at least some health insurance and worker's compensation to all independent providers and have also improved the wages.

### Impact on Workforce Capacity and Quality

There has been increasing focus on in-home services over the past decade and longer. The large majority of individuals needing long-term care want to receive that care in their homes whenever possible. While family and friends have been recruited to help provide support, they are often not able to continue to provide that support over the course of many years. In addition, not everyone needing support has family and friends who are able to provide needed support. The Councils have provided some essential elements necessary to support both consumers and workers and have had a significant impact on the recruitment and retention of home care workers. Long-term care policymakers and stakeholders in the aging and disability communities understand how vital it is to have an adequate number of qualified home care providers. They understand this is what consumers want and that it is significantly more cost-effective than any other care option.

### Impact on Wages and Benefits

\* Wages have increased in all states. Massachusetts (MA) hourly rate is \$12.48; Oregon (OR) and Washington (WA) are \$10.20 and \$10.09 respectively; California's (CA) county systems pay between \$8.50 and \$11.55 (all 2011 figures)

\* Health care is not yet provided in MA, although they are studying the issue; OR provides coverage including dental and vision at 80 hours/mo.; WA provides coverage at 86 hours/mo. with dental and vision; CA counties all provide coverage at some cost to workers

\* Training in MA covers CPR and first aid, although union is establishing a training program with state funding; OR Home Care Commission offers extensive training program and workers can attend and be paid their hourly rate; WA law mandates 70 hours of training and advanced training is available; CA training center supported by union dues; other counties pay for training and/or have training funds

\* Paid time off in MA functions as a yearly cash bonus; OR based on hours worked up to 4 days a year with automatic payment for unused hours; WA pays workers one hour off for every 40 hours worked

## Recruitment and Retention of Home Care Workers

There have been few studies about the impact that higher wages and benefits have had on recruitment and retention of home care workers and the quality of care provided. But today, Connecticut's own Dr. Candace Howes, Professor of Economics at Connecticut College, is here to discuss her resource into these topics. She is nationally-known and highly-regarded for her research in this area.

### Quality

One of the major measures of quality services is consumer satisfaction. Most states use some sampling to survey what consumers think of their services. In Washington, 72% of consumers rated their independent provider services as excellent and 22% rated them good. 97% of Massachusetts consumers felt safe and respected by their personal care attendant.

### Conclusion

Home Care Councils provide an essential focal point for addressing a key issue in long-term care: attracting and maintaining a sufficient number of qualified home care workers. Consumers want to receive services in their homes. They want to have control over the way services are delivered. They want to be able to access a qualified worker when they need one. Consumers want workers who have skills training, are fairly compensated for their work and receive health and worker's compensation benefits. They want workers who will stay working with them for as long as possible. A state can do this for consumers and provide public support for this process through a Consumer Workforce Council. Supporting this concept helps the State meet the needs and preferences of consumers while supporting services in the most cost-effective environment-one's own home.