



Senate Bill 764, An Act Prohibiting "On-Call" Shift Scheduling

March 6, 2019

This testimony is submitted on behalf of the Association of Connecticut Homecare Agencies (ACHA) regarding Senate Bill 764, An Act Prohibiting "On-Call" Shift Scheduling. ACHA **opposes** SB 764. Due to the unpredictable nature of the work, the requirements of this bill would be *unmanageable* for our industry.

In home care, client needs dictate the schedules of our employees. When agencies match a caregiver to a case, we must consider many factors. Among those we examine the required skill set, personalities, and of course, schedules. Employees work with their clients based upon assignment. Employees are free to accept or reject an assignment without fear of consequence. Agencies (and thus staff) get paid only when shifts are worked.

The nature of the home care industry is constant change. Our work is largely built upon the unpredictable nature of human beings. Our employees have a one-to-one relationship with their client, so when one is unavailable for any reason, there is a direct impact on the other.

In most businesses, if an employee is out sick, others can take up the slack for that day. This is not the case in home care. When employees call out sick or takes a day off, the agency must find another employee to fill in.

Likewise, if a new client requires care, or an existing client requires an increase in care, existing employees are asked if they would like to assume more hours prior to hiring new staff. The new hours may begin immediately, and a specific schedule requirement is unmanageable. On the other hand, if an existing client must go to the hospital, passes away, or for some other reason does not want the caregiver that day, the employee won't have any work for that shift. The employee is notified as soon as the information is received by the agency, however that frequently is less than 24-hours prior to the shift.

We respectfully request you to exclude the Home Care industry from Senate Bill 764 due to the unpredictable nature of our industry. Thank you for consideration of our position and testimony.

The Association of Connecticut Homecare Agencies (ACHA) was formed as the result of a grassroots effort to advocate on behalf of agencies that provide non-medical support services to individuals in their homes. We are dedicated to assisting the agencies that help our aging population stay in their homes and strive to promote professionalism and quality of service in our industry.

Please contact Julianne Roth, Chairperson of the Association of Connecticut Homecare Agencies and President of Companions for Living, LLC at info@achagencies.org or (860) 882-0802 with any questions or for additional information.



Senate Bill 2, House Bill 5004 and House Bill 7191 regarding Minimum Wage

March 6, 2019

This testimony is submitted on behalf of the Association of Connecticut Homecare Agencies (ACHA) regarding Senate Bill 2, House Bill 5004 and House Bill 7191 regarding raising the minimum wage. Although ACHA supports raising the minimum wage, ACHA **opposes** these bills as they are currently drafted.

We know that the work our employees do is difficult. While we would like to see the minimum wage increase, we must focus on making the change thoughtfully and over time, while considering the immediate impact it will have on consumers and businesses. We must also keep the reimbursement rates for Medicaid clients commensurate with the increasing minimum wage.

Our industry employs Caregivers who in most cases are currently paid at rates higher than minimum wage. Most agencies currently pay an hourly rate between \$11 and \$13 per hour to our Caregiving employees.

It is important to note that our industry's margins are thin, and there is no room to raise our pay rates without also impacting our billing rates. The rates that we pay our staff directly impact the rates that we must charge our elderly clients, whether those pay for their services themselves, or they receive services that are paid for by the State of Connecticut. We must examine the impact on these two populations separately due to the nature of the payor sources.

First, our **private pay** clients are typically on a fixed income. To quickly raise the minimum wage could severely impact the rates that they pay for services which keep them at home, rather than requiring them to go to a nursing home. If the minimum wage increases by 30%, the rates that they pay will also increase by 30%. If the clients are also paying overtime in the case of live-in care, and/or because they require one caregiver due to their cognitive state, their rates could easily increase by over 50%, making this type of care unaffordable, and forcing faster spend-down of assets, and quicker placement in a nursing home and/or state assistance.

Next, our **Medicaid client** current reimbursement rates do not currently support an increase in the minimum wage. In fact, while we did receive a 2.5% rate increase last year, it was the first increase our industry has received in over 10 years. Last year's increase does not cover the increased rate required to cover a \$15/hour minimum wage. For our services to remain viable, reimbursement rates must rise at a parallel with any increases to the minimum wage. While this will be a burden on the State budget, it is one that must be absorbed if it is to work. The consequence for not keeping pace between the minimum wage increases and the reimbursement rates would prove disastrous. The consequence being that those providers



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who support our elderly Medicaid clients would be forced out of business and their clients would be forced to move to a nursing home, thus placing an increased burden on the State with the far costlier care.

We implore you to consider slowing down the pace of the increased minimum wage over the next five years with an increase of no more than \$1 per year while increasing Medicaid reimbursement rates at the same pace. This should help to preserve the support our elderly residents deserve.

Our members thank you for your consideration.

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