



#EnoughPayToStay Home Care Workforce Budget Request

"9110-1635 For adjustments to rates and capitations for home and community based services provided through line items 9110-1630, 9110-1633, 9110-0600, and 4000-0601; provided further that \$5,650,000 shall be provided for an add on to established capitations in line item 9110-1633; provided further that \$15,724,284 shall be provided for an adjustment to approved program rates issued under line items 9110-1630 and 9110-0600 to provide a rate add-on for wages, compensation and/or salary related costs for personnel providing homemaker and personal care homemaker services; and provided further that \$7,488,000 shall be provided for adjusting rates for home health aide services funded through line item 4000-0601 for the purpose of providing Title XIX services..... \$28,862,284*"

*** Estimated \$8.3 million in offsetting revenue from FFP resulting in a net state cost of \$20,033,749**

This request will provide immediate rate relief to support the wages and benefits earned by the following frontline home care workers:

- \$15,724,284 for Homemakers/Personal Care Homemakers = Wage and Benefit Increase of \$1.43 per hour
- \$7,488,000 for Home Health Aides = Wage and Benefit Increase of \$.72 per hour
- \$5,650,000 for ASAP personnel and operations

Homemakers, Home Health Aides, and ASAP Case Managers are the backbone to the home care system. But, there are a low-wage, high turnover workforce. They are in desperate need of a wage and benefit increase to make ends meet.

People with disabilities and chronic conditions are living longer, adding to the demand and putting further strain on the LTSS delivery and financing system. The workforce needed to serve this burgeoning population at home will not be available unless fundamental changes take place now.

Consumer Demand is at an all-time high and a growing number of home care cases are unfilled today due to unmet need.

- According to recent data reviewed by the Executive Office of Elder Affairs, between FY10 and FY17, the percentage of elders enrolled in the state home care programs who had their home care services suspended due to the fact that home care agencies could not provide services increased **by 222%** (from 3,685 clients in FY10 to 12,448 clients in FY17).
- The growth in the state's population ages 65 and over is projected to **increase 46%** by 2035.

LTSS providers face unprecedented challenges to recruit and retain the highly trained workforce needed to provide quality care to clients in the community.

- Homemakers and Home Health Aides are among the fastest growing, yet lowest paid workforces in Massachusetts
 - Home Health Aides and Personal Care Aides are the 3rd and 4th fastest growing occupation in our nation.
 - According to the US Bureau of Labor Statistics, home health aide demand is anticipated to grow 46.7% and personal care aide demand by 37.4% between 2016-2026.
- According to the US Bureau of Labor Statistics, the average annual salary earned by a Homemaker in Massachusetts in 2016 was \$28,260 and the average annual salary of a Home Health Aide was only slightly higher at \$29,200.

- Between 2012 and 2014, 53% of direct care worker households in Massachusetts relied on some form of means-tested public assistance.
- An independent salary and turnover study of ASAP Case Managers released by Mass Home Care in 2015 concluded: "The below-market starting salaries for care managers... in comparison to comparable positions (has had) a direct relationship to the high turnover for leaving."
 - Each year, the ASAP system loses more workers to state agencies and private providers where they can earn upwards of \$20,000 more annually

At the same time, the rates paid to home care and home health agencies that provide direct care services to low-income elders and disabled individuals on state funded programs are stagnant.

- Homemaker rates have not been adjusted since FY15 and Home Health Aide rates have not seen an increase since FY07.
- The Employer Medical Assistance Supplement (EMAS) will disproportionately impact home care/home health employers that rely on contracts funded through state appropriations.
 - Based on recent data, it is estimated that roughly 45% of the Massachusetts home care aide workforce is enrolled in MassHealth.
 - Given this statistic, it is anticipated that the EMAS will impose a new employer mandate onto the home care aide industry in the range of \$6.5 million - \$8 million in the first year.
- The state also plans to implement two information technology initiatives in FY19 that will impact these home care agencies – Electronic Visit Verification (EVV) and Provider Direct. The home care industry supports these important efforts. However, they will add significant unfunded infrastructure costs that must be acknowledged through the rates provided to these home care agencies.

Massachusetts has a proud tradition of committing to community based care. The commitment of supporting individual choice is both good social policy, and sound fiscal policy.

- Massachusetts has been successful at rebalancing the long-term care system, and appropriately diverting consumers from nursing facilities to community care.
 - Between FY12 and FY16, MassHealth has experienced a -5.8% reduction in annual bed days. This figure is particularly significant when it is estimated that there has been a 19.6% increase in the number of individuals accessing MassHealth Long-Term care services.
 - The 5-year results of this rebalancing success is contributing to estimated cumulative FY17 nursing facility cost-avoidance in the amount of \$107.8M. Continuation of the 5-year trend will result in an additional \$36.8M in FY18 cost reduction resulting from reduced nursing facility utilization.

While rebalancing efforts have been successful, they have not been supported with the necessary reinvestments in the community workforce to ensure workers are available to support consumers in need of services.

We must do better to keep up with our fastest growing demographic – those over the age of 60. This budget request reflects a commitment to provide these essential workers "Enough Pay To Stay".

Contact Info:

Home Care Aide Council: lgurgone@hcacouncil.org

Home Care Alliance: JKrilovich@thinkhomecare.org

Mass Home Care: info@masshomecare.com