

DIRECT CARE WORKFORCE BUDGET PRIORITIES

STATEMENT

The state of Wisconsin is in a Workforce Crisis. Direct-Care Workers, otherwise referred to as Personal Care Aides, Home Health Aides, Nursing Aides, Orderlies, Attendants, Therapy Aides, Job Coaches, Peer Mentors and Respite Workers are the backbone of Wisconsin's Long Term Care system. Wisconsin's Direct Care workforce is essential to the health and independence of people with disabilities and the elderly. This workforce network is also essential to meeting the expectation of the Olmstead decision and to keep the promise of access to services through the statewide expansion of Family Care, IRIS and Children's Long-Term Support Waiver.

Unfortunately, due to low wages and inadequate Medicaid provider rates the industry is experiencing record turn-over with some agencies experiencing turnover rates of 67%. A growing number of direct care workers continue to seek employment outside of healthcare into other industries offering better hours, wages, and benefits. Providers and consumers statewide are reporting great difficulty in recruiting and retaining quality direct care workers. The inability to attract and retain direct care workers has resulted in many long term care recipients going without essential care compromising their health, safety, and their ability to live in the community.

BACKGROUND

Wisconsin's direct-care workforce reported by PHI totals more than 39,000¹ workers and is larger than any other occupational grouping in the state. By the year 2022 the need for personal care workers is projected to increase 26.4 %. In the next 30 years, the ratio of Wisconsin's residence age 65 and older to the entire state population will grow from 1 in 7 to 1 in 4.⁴

Long Term Care recipients continue to report difficulty in finding personal care workers. Many consumers are forced to be without assistance. A recent Survival Coalition survey revealed that 85% of long term care recipients don't have enough workers to work all of their shifts.² 60% also report that they get sick more often when they don't have enough workers.²

Professional Healthcare Institute (PHI) and other nationally recognized workforce experts report at least 51% of direct-care workers in Wisconsin and surrounding states rely on some form of public assistance such as food stamps or Medicaid. The estimated fiscal cost to the state of providing these benefits in 2009 was upwards of \$180 million.³

The current funding available in the long-term care industry make it fiscally impossible for service providers to provide training, competitive wages, and benefits to this workforce. After

nearly 14 years, Medicaid reimbursement rate for personal care services were increased by 2% (\$.32 per hour or \$16.40) in 2017 and another 2% increase in 2018 (\$.33 per hour or \$16.73), and there have been no rate increases since July 1, 2008. This long awaited increase is helpful but continues to be inadequate. The impact of prolonged insufficient rates has resulted in personal care agencies closing and unable to meet the infrastructure costs needed to maintain their businesses

RECOMMENDATIONS

- Survival Coalition recommends **Wisconsin Department of Health Services (DHS) make the Direct Care Workforce Crisis a priority**. This priority would support people who rely on the direct care workforce to remain independent and would recognize personal care agency's growing difficulty to recruit and retain a quality direct care workforce. A proactive approach is necessary to address the current workforce crisis and to meet the anticipated growth for these services in the future.

Strategies to address the crisis recommended by the Centers for Medicare and Medicaid include: establishing an open registry of workers for public use; supporting home care worker training and development; analyzing the relationship between wage sufficiency, workforce health, and access to care; developing tiered rate structures that provide enhanced reimbursement for services rendered by workers who are able to serve beneficiaries with more complex needs or have other advanced skills.

- Survival Coalition recommends **DHS not recreate the prolonged lapse in rate adjustments** so Personal Care Agencies (PCA's) can offer competitive wages and benefits and to keep pace with the cost of doing business. Reimbursement must also account for additional costs to agencies associated with Federal and State mandates such as the 2019 implementation of Electronic Visit Verification (EVV).
- Survival Coalition recommends **DHS Re-invest the projected \$60 million Medicaid Surplus** by addressing the direct care workforce crisis. Increasing the Medicaid personal care reimbursement rate by \$2.50 would cost \$26 million GPR per year. This increase would bring reimbursement rates in line with provider costs and allow agencies to increase direct care worker wages.

This would also alleviate public assistance costs—it is estimated that 51% of the current direct care workforce is utilizing various forms of public assistance¹, increasing the wages of direct care workers will result in decreasing workforce utilization of public assistance. Additionally, the surplus funds could be reinvested to support family caregiver tax credit initiatives and expand benefits of the Medicaid Purchase Plan (MAPP) to further support working individuals with disabilities. There is also opportunity for an enhanced rate to cover costs associated with supportive employment and job coaching for people with disabilities.

- Survival Coalition recommends additional funding to support an increase in wages for all direct care workers in the long-term care system including CLTS, Family Care, Partnership

and IRIS. This infusion of funds must be sustainable and address wages for all workers to include: personal care, supportive home care, home health aides, therapy aides, job coaches, peer mentors and respite workers.

- Survival Coalition recommends **training and “network adequacy” quality measures for Family Care, IRIS and Children’s Long-Term Support.** These measures would uncover the current and future growth of workforce needs and would capture the impact of unmet care needs as a result of the workforce shortage. This data would be helpful to address any health and safety concerns and capture preventable costs associated with hospitalizations, ER visits, nursing home and other facility based costs when community / in-home services are not available.

Additional support from Managed Care Organizations, IRIS Consulting Agencies, and other stakeholders to partner with personal care providers to identify shared responsibilities related to recruitment and retention of the direct care workforce. A concerted effort must be made by all to recognize the value of direct care workers and the complex nature of the work. Such a collaboration is needed to address challenging behaviors and environmental barriers which often lead to workforce turn over.

A stronger collaboration between DHS and DWD to invest in training and education opportunities identified by stakeholder groups that will continuously develop a quality direct care workforce and offer career pathways. Effective training is linked to retention and greater job satisfaction and reduced turnover costs. Specific training opportunities include accessing resources available through apprenticeship, Fast Forward Grants, and Health Care Assistance Training. Measurements must be monitored to provide evidence that additional funds and training positively impact Wisconsin’s direct care workforce crisis and reduce long term care recipient’s health and safety risks and utilization of higher cost services.

- Survival Coalition recommend **DHS to work with Personal Care Agencies (PCAs) to eliminate rules that add burden and cost but no value.** There is opportunity to reduce costs and administrative burden for PCAs by eliminating the red tape. An example is the growing concern for the CMS mandate for Personal Care Workers to obtain Medicaid provider numbers and registration will negatively impact recruitment and retention. This initiative must consider the barriers facing many direct care workers such as language, access to technology, and other necessary resources to meet the expectations of the rule.
- Survival Coalition recommends **DHS create a Medicaid Buy-In waver for direct care workers and unpaid caregivers.** Many direct-care workers are also Medicaid BadgerCare recipients. A Medicaid Buy-In model would allow workers to earn and save more in exchange for paying a premium, may encourage worker retention, and may encourage workers to contribute more hours to Wisconsin’s caregiving needs.

¹<https://phinational.org/resource/state-of-care-wisconsins-home-care-landscape/>

²Survival Coalition 2016 Survey

³PHI State Facts: Wisconsin's Direct-Care Workforce fact sheet, issued by PHI in December 2017. More information is available at <http://phinational.org/policy/states/wisconsin>

⁴Wisconsin Department of Administration, Demographic Services Center, Wisconsin's Future Population, Projections for the State, Its Counties and Municipalities, 2010 - 2040, December, 2013

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