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Investing in the Direct-Care Workforce: Key Recommendations for National Health Reform

As an organization dedicated to our nation's three million direct-care workers and the millions of elders and people with disabilities they serve, PHI supports Congressional efforts to make health care coverage more affordable and accessible for all Americans. As Congress considers improvements to our health care delivery system, we urge consideration of policies that invest in and support the nation's frontline health workers—a workforce that provides 70 to 80 percent of the hands-on long-term services and supports received by Americans with disabilities or living with chronic conditions. This vast and underleveraged workforce is ideally positioned to assist with the important reform goals of chronic care management, health promotion, disease prevention and control of health care costs. In addition, it is essential to efforts to expand our system to meet the growing demand for long-term care services and to reorient service delivery toward home and community-based models of care.

PHI offers the following policy recommendations for unlocking the potential of the direct-care workforce in the service of more efficient, effective and accessible health care for all Americans.

Incorporate Long-Term Services and Supports into Reform Legislation

PHI supports the inclusion of long-term services and supports—particularly options for expanding home- and community-based service (HCBS)—as an integral component of reform. Such provisions are critical for meeting the needs of our elders and those living with chronic illnesses or disabilities.

Coverage proposals that seek to meet the preference of our elders and others with disabilities for long-term services and supports provided at home and in their communities are vital for improving and strengthening our overall health care delivery system. At the same time, they raise the question of how to develop sufficient workforce capacity to fulfill this promise. PHI recommends that Congress include specific provisions for direct-care workforce development. As detailed below, these provisions should include requirements for improvements in state workforce planning and monitoring to address issues of recruitment, training, compensation, career advancement and retention.

Promote Expansion of Medicaid HCBS through Increase in Federal Match

PHI supports increasing the federal match for Medicaid HCBS in order to help states rebalance their long-term care systems. However, in light of the essential need to encourage states to develop corresponding workforce strategies capable of bearing the weight of this shift toward HCBS, we recommend, at a minimum, that the Congress consider conditioning the receipt of an FMAP increase on successful submission by each state of a workforce development plan. The requirement of a plan could be linked to the so-called "equal access" provision of Title XIX of the Social Security Act (§1902(a)(30)(A) which directs that:

> *A state plan for medical assistance…[must] provide such methods and procedures relating to the utilization of, and the payment for, care and services available under the plan…as may be necessary to…assure that payments are consistent with efficiency, economy, and quality of care and are sufficient to enlist enough providers so that care and services are available under the plan at least to the extent that such care and services are available to the general population in the geographic area.*

We further recommend that state HCBS workforce plans address the following areas (based, in part, on concepts set forth in section 201 of S. 434, introduced by Senators Kerry and Grassley):

- Assessment of the adequacy of current workforce to meet demand for services,
- Analysis of the impact of the expansion of HCBS benefits and future growth of eligible consumer populations on the adequacy of the HCBS workforce,
- Demonstration of the adequacy of average compensation to build a sufficient workforce, and training and retention programs for HCBS workers (which may include, as determined appropriate by the State, allowing participation in such training to count as an allowable work activity under the State temporary assistance for needy families program funded under part A of title IV),
- Plans to assist consumers with finding and retaining qualified workers, and
- Description of State efforts to collect a minimum data set of information on their workforce across long-term care settings that includes:
    - Numbers of direct service workers (full time and part time),
    - Stability of workforce (turnover and vacancies), and
    - Average compensation of workers (wages and benefits).

PHI further recommends that such grants be accompanied by technical assistance to states through the National Direct Service Workforce Resource Center, a technical assistance consortium funded by CMS to support state workforce recruitment and retention initiatives.

In addition, attention must be paid to the relatively low-wages of the direct-care workforce overall -- $10.22 per hour in 2007 compared to $15.10 for all workers -- and the fact that, when adjusted for inflation, real wages for workers who provide HCBS services [Home Health Aides, and Personal and Home Care Aides] have actually ***declined*** over the last eight years. In order to make these occupations competitive and to retain workers in the field for the longer term, PHI recommends that a significant percentage of any FMAP increase be structured as a direct pass-

through to direct-care workers. Further, to both meet the goals of providing HCBS to greater numbers of consumers and to provide adequate compensation to the workers who provide those services, PHI recommends considering an increase in FMAP for HCBS services greater than 1%.

Improve Training for Frontline Health Workers

PHI strongly supports upgrading the federal training standards for direct-care workers. The training standards for Certified Nursing Assistants (CNAs) are now over 20 years old and a review of the competencies necessary to provide quality person-centered care is long overdue. Currently, 26 states and the District of Columbia have implemented training standards that exceed the federal requirements, and a number of other states are in the process of reviewing the adequacy of their training standards. The Institute of Medicine in its 2008 report, *Retooling for an Aging America: Building the Health Care Workforce*, recommended increasing the federal training requirement for both CNAs and Home Health Aides to at least 120 hours. The IOM report also recommended establishing training standards for Personal and Home Care Aides.

PHI supports a review of training standards for all direct-care workers – Certified Nurse Aides, Home Health Aides, and Personal Care Attendants. PHI supports the language of S.245/H.R. 468 introduced by Senator Kohl and Representative Schakowsky to establish a stakeholder expert panel to advise the HHS secretary on competencies for PCAs and additional competencies for CNAs and HHAs. We believe that this review must focus on the competencies necessary to provide person-centered long-term services and supports, and then on the training hours needed to adequately convey those competencies. PHI also supports the S. 245/H.R. 468 language establishing state demonstration grants to pilot curricula based on the recommended PCA competencies. For upgrades and improvements to the CNA/HHA OBRA training requirements, PHI recommends the stakeholder advisory panel makes recommendations for improvements and enhancements of these requirements based on review of best practices from the dozens of states that have gone beyond the federal requirements. Given the wealth of knowledge and experience in states, PHI does not believe a parallel process of piloting is required.

Include Direct-Care Workers in New Team-Based Models of Care

People who use long-term services and supports tend to be the cost-drivers in our health care system. Models that take a comprehensive approach to managing their care are essential for achieving efficiencies and cost savings in our health care system. Every day, over 3 million direct-care workers are in direct contact with millions of Americans with chronic diseases and disabilities. With increased training and a more expansive view of their role, these workers are a substantial human capital asset to be deployed in operationalizing new models of care aimed at preventing illness, promoting health and managing chronic conditions.

PHI supports demonstration grants to design and test new models of care, and recommends that preference be given to projects that include direct-care workers as key players. PHI further recommends that the competencies and training needed by direct-care workers to assume the roles identified by these demonstrations be included in the Department of Health and Human Services reevaluation of direct-care worker training standards.

Support Workforce Data Collection and Monitoring for the Direct-Care Workforce

Around the country, states are grappling with how to meet the escalating demand for long-term services and supports while at the same time re-orienting their service delivery systems toward home- and community-based settings and away from institutional ones. Meeting these goals has enormous workforce implications. However, **policy makers are hampered by a lack of ongoing, reliable information about their direct-care workforces**. State claims and payment systems and cost-reporting requirements generally do not allow for estimating the number of direct-care workers employed in public programs, the level of their compensation, and important workforce stability indicators such as turnover and vacancies.

While ultimately it is incumbent upon states to improve their data collection and workforce monitoring regarding frontline health workers, the federal government can play a critical role in encouraging and facilitating these activities. PHI recommends the following federal actions:

- Direct the HHS Secretary, acting through the CMS Administrator, to make workforce an explicit part of CMS's review processes by including greater oversight and guidance to states about the adequacy and quality of their direct-care workforce in HCBS waiver applications/ renewals and Medicaid State Plan Amendments.
- Through the CMS National Direct Service Workforce Resource Center, provide funding for technical assistance to states for creating workforce data collection and monitoring systems, including creating systems for collecting and publicly reporting a minimum data set of information on their direct-care workforce across long-term care settings.
- Direct the HHS Secretary, acting through the CMS Administrator, to revise certain data reporting forms and systems to ensure uniform and consistent state reporting on state plan amendments and all HCBS waivers. Targeted reporting forms include CMS Forms 372, 64, and 64.9, with reporting results that are publicly available in a state-identifiable manner. New data to be reported should include those specified in S. 434, Section 501 ("Improved Data Collection") and also data relating to the number of workers, their compensation, and the stability of the workforce (e.g., turnover and retention). To align data collection and monitoring across institutional and HCBS settings, workforce variables should mirror those specified in S. 647, Sections 103 and 104.

Develop a National Health Workforce Strategy Plan

In order to achieve the goals of an effective, quality delivery system for consumers needing long-term care services and supports, PHI urges Congress to support the development of a national health workforce strategy. To ensure that it addresses the largest and fastest growing healthcare occupations, such planning must fully address the challenges of building an adequate and stable direct-care workforce. We recommend including the following elements are included in a plan: (i) analysis of the current and projected needs for the long-term care workforce (demand and supply assessment) including information on turnover and retention for professional and paraprofessionals within this sector; and (ii) assessment of the future training and education needs of the direct-care workforce.

Fund Grants to States for HCBS Workforce Development

To assist states in reorienting their long-term care systems toward HCBS and to help them build an adequate, stable, qualified workforce to meet the growing demand for eldercare/disability services, PHI encourages the establishment a a specific grant program to assist states with these goals. Permissable uses should include:

- Developing state direct-care workforce plans
- Expanding and upgrading training programs and infrastructure for direct-care workers across long-term settings and programs
- Implementing direct-care worker data collection and workforce monitoring systems
- Establishing recruitment and retention programs, including initiatives to enhance direct-care worker wages and benefits
- Creating structures and coordinating resources to support workers and consumers in consumer-directed programs
- Developing programs that promote the role of direct-care workers in new cost-effective models of chronic care that include approaches such as remote monitoring, integrated continuing care across settings, and wellness and prevention.

States should be supported in undertaking their grant initiatives by technical assistance through the CMS National Direct Service Workforce Resource Center.