



DATA BRIEF:

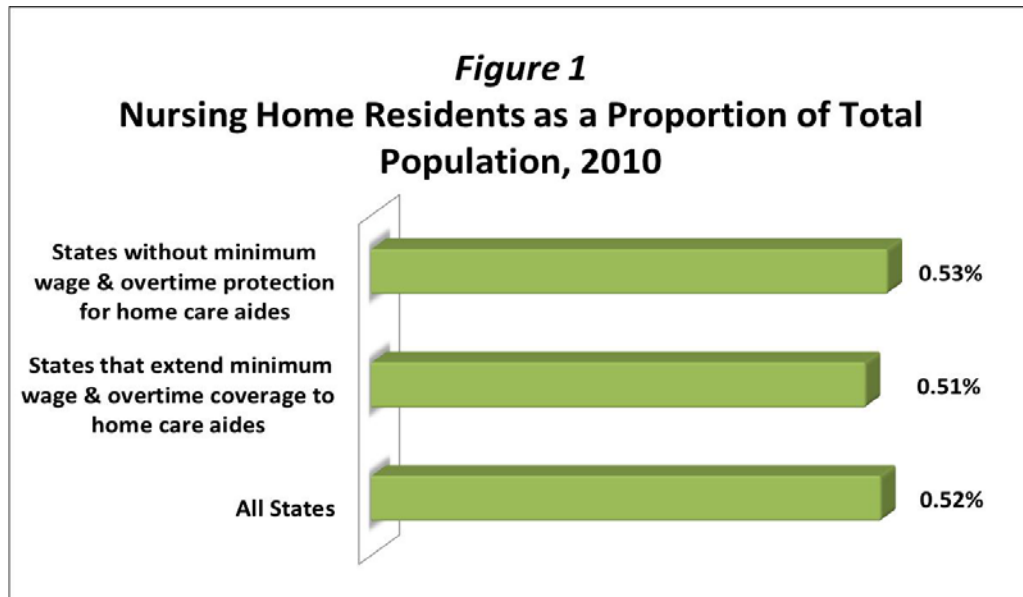
Institutionalization Rates in States that Extend Minimum Wage and Overtime Protection to Home Care Workers

Concern has been expressed that the extension of federal workforce protections under the Fair Labor Standards Act (FLSA) via a narrowing of the companionship services exemption will result in higher rates of “institutionalization”ⁱ for individuals with functional limitations who rely on personal assistance services in order to remain in their own homes or in small community-based settings. The implied cause-and-effect is that extending minimum wage and overtime protections to home care and personal assistance aides will increase the cost of the services provided so significantly that persons with disabilities will be forced to move into nursing facilities.

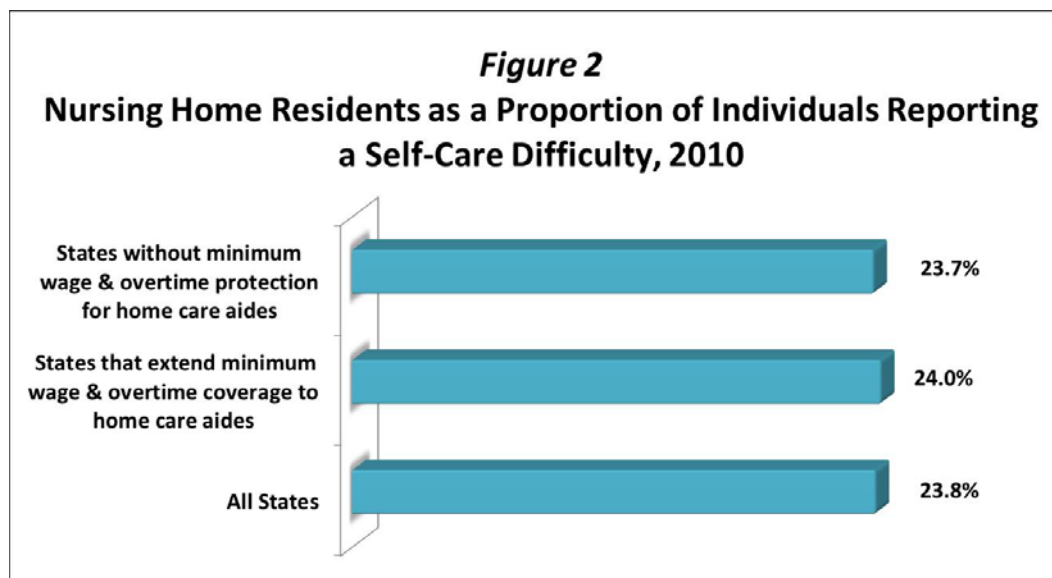
This concern implies that rates of institutionalization will be higher in states that extend basic workforce protections to home care and personal assistance aides. To examine this issue, we compared various measures of institutionalization across two groupings of states. The first group consists of the 15 states that already extend state workforce protections to at least some groups of personal assistance and home care aidesⁱⁱ and the second group consists of all other states.

Using data from U.S. Census Bureau, two measures of institutionalization at the state level were investigated: 1) the number of nursing home residents as a proportion of the total population, and 2) the number of nursing home residents as a proportion of individuals reporting a “self-care difficulty” (a proxy for the number of individuals who require long-term services and supports).

As shown in Figures 1 and 2 below, states that already extend minimum wage and overtime protection to aides have very similar institutionalization rates compared to states that do not extend these workforce protections to home care and personal assistance aides.



In 2010, approximately one half of one percent of the total population in each state resided in a nursing home *regardless* of whether the state extended workforce protections to home care and personal assistance aides (see Figure 1).



Similarly, in 2010, approximately 24 percent of persons reporting a self-care difficulty resided in a nursing home *regardless* of whether the state extended workforce protections to home care and personal assistance aides (see Figure 2).

In summary, the 15 states that already have taken steps to extend basic workforce protections to home care workers do not exhibit higher rates of institutionalization than states that do not offer such protections.

DATA SOURCES

Total population of each state is from the 2010 U.S. Census. The number of nursing facility residents per state is found in table “PC05: Group Quarters Population in Nursing Facilities/Skilled-Nursing Facilities by Sex by Age,” of the 2010 U.S. Census. Both data sets are available at the U.S. Census Bureau: <http://www.census.gov/>

The number of individuals with a “self-care difficulty” is from the 2010 American Community Survey, 1-year estimates, available at the U.S. Census Bureau: http://www.census.gov/acs/www/data_documentation/data_main/

ⁱ “Institutionalization” refers most generally to placement in a nursing facility or a skilled nursing facility defined as facilities licensed to provide medical care with 7-day, 24-hour coverage for people requiring long-term non-acute care. People in these facilities require nursing care, regardless of age.

ⁱⁱ While current federal law exempts large numbers of home care and personal assistance aides from workforce protections under the FLSA, over the years 15 states that have elected to extend minimum wage and overtime protection to at least some groups of aides. These states include: Colorado, Hawaii, Illinois, Maine, Maryland, Massachusetts, Michigan, Minnesota, Montana, Nevada, New Jersey, New York, Pennsylvania, Washington, and Wisconsin. See: National Employment Law Project & PHI (October 2011) *Which states provide minimum wage and overtime to home care workers?*, available at: http://nelp.3cdn.net/6e193991edf8bd0df9_o6m6i28s2.pdf.

PHI works to transform eldercare and disability services. We foster dignity, respect, and independence – for all who receive care, and all who provide it. The nation’s leading authority on the direct-care workforce, PHI promotes quality direct-care jobs as the foundation for quality care.