New York's Home Care Aide Workforce

Executive Summary of a series of reports prepared by Carol A. Rodat, PHI New York Policy Director

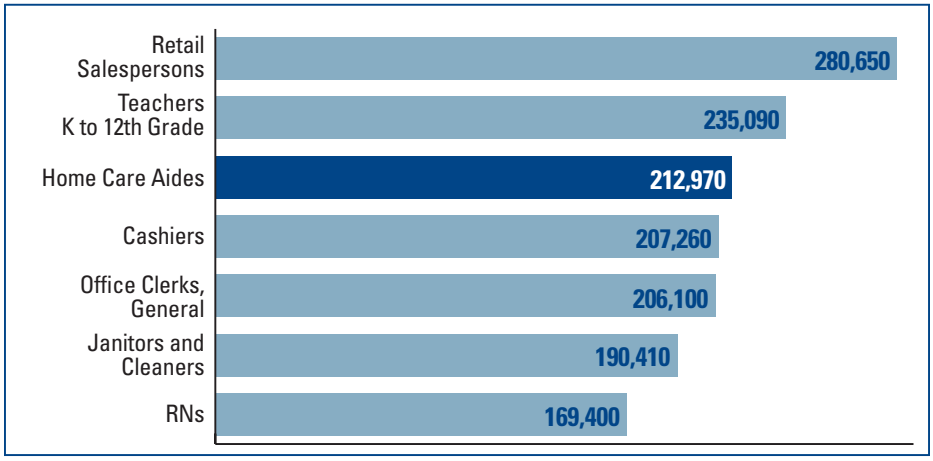
Each day in the state of New York, over 210,000 individuals employed as home care aides provide essential daily services and supports to people living with age-related disabilities, chronic health conditions, or other physical, intellectual, and developmental disabilities. The projected growth of these jobs in response to the needs of an aging population—and a shift of service delivery to home- and community-based settings—make the home care workforce an important factor in economic growth and a critical element of health care policy and delivery.

Home care aides make it possible for people to return home from the hospital, regain functional ability, and remain in their communities despite the limitations of age, disability, or disease. They serve those needing short-term rehabilitation as well as those needing ongoing support and assistance. These workers provide at least 80 percent of the paid hands-on care for people living with age-related and other disabilities, often providing relief for family caregivers who cannot otherwise continue working and contributing to the state's economy.

To provide these essential home care aide services, New York's Medicaid program spends an estimated $4 billion annually—and without changes in the delivery system that make it more cost-effective, over the next 20 years, that figure will grow exponentially in response to projected growth in demand.[1] Public expenditures of this scale, when the state is struggling to meet a wide range of public needs, demand that policymakers ensure these resources are being used as efficiently as possible to provide quality outcomes for New York's families.

The size and importance of this workforce, as well as this significant public investment, led the United Hospital Fund to support a study of this workforce—how workers are recruited, trained, employed, and compensated—and propose policy options to ensure that New York will have a stable, well-trained home care workforce that can deliver cost-effective, quality services to a growing population of elders and people with disabilities.

Figure 1: New York State's Largest Occupational Groupings, 2006



Source: NYS Department of Labor, Long-Term Occupational Projections, 2006–2016 New York State. Accessed on August 18, 2010, at: **http://www.labor.ny.gov/stats/demand.asp**.

In response, PHI authored three papers: *New York's Home Care Aide Workforce: A Framing Paper*, which provides an overview of the challenges and opportunities to strengthen the workforce; *Preparing New York's Home Care Aides for the 21st Century*, which focuses on training; and *Improving Wages for New York's Home Care Aides*, which delves into the industry structure and financing of aide services. This brief summarizes the findings of these three papers.

This *Executive Summary*, and the three reports it is based upon, were developed with grant support from the The United Hospital Fund (**www.uhfnyc.org**). The complete series of reports, published in the fall of 2010, can be found at **www.PHInational.org/newyork**. Additional information about direct-care workers is available at **www.PHInational.org/policy**.

Important Facts about the Home Care Workforce

- **Sizeable workforce statewide:** New York State employs more than 210,000 home care aides. These workers are officially divided into two occupational categories: *home health aides* and *personal care aides* (known as "home attendants" in New York City).
- **City's largest workforce:** New York City employs nearly 130,000 home care workers, making home care aides the City's single largest occupational group. Home care aides outnumber school teachers (124,450) and registered nurses (69,620).
- **Tremendous growth:** Home care occupations—home health aides and personal care aides—are, respectively, the third and fourth fastest-growing occupations in the state. Together these occupations are expected to *add 100,000 positions over the decade 2006-2016*.
- **Low compensation:** Home care aides earn, on average, less than $10 per hour and are nearly twice as likely as other workers to be uninsured (27 percent vs. 15 percent).
- **Inadequate training:** Training requirements for home care workers are minimal. Home health aides are required by federal law to receive 75 hours of training; personal care aides are not subject to federal training requirements, but New York requires 40 hours of training. (In comparison, a pet groomer in New York State is required to have 150 hours of training).
- **Upside-down wage structure:** Though home health aides receive more training and may perform more health-related support services than personal care aides, in New York City home health aides earn on average $2.00 *less* than personal care aides.

By 2030, the population over 65 is expected to increase by 54 percent, putting one in five New Yorkers over the age of 65. This rapidly growing elder population will put increased demand on the home care system.

Challenges

Our examination of the home care workforce exposes numerous challenges to building a sufficient, well-trained, and stable home care workforce to meet the needs of New York's growing numbers of elders and people with disabilities. These include:

Changing Demographics

Increasing demand: New York State began 2010 with a population of 2.65 million individuals aged 65 or older—i.e., older adults made up more than 13 percent of the state's population. By 2030, the population over 65 is expected to increase by 54 percent, putting one in five New Yorkers over the age of 65. This rapidly growing elder population will put increased demand on the home care system.

Upstate, the number of women aged 25–54 entering the workforce (the primary demographic for home care aides) will decrease by nearly 250,000 from 2006–2016, while the demand for direct-care positions will grow by over 50,000.

Demand outstripping supply: In the upstate region, the number of women aged 25–54 entering the workforce (the primary demographic for home care aides) will *decrease* by nearly 250,000 from 2006–2016, while the demand for direct-care positions will *grow* by over 50,000. Finding workers to fill this demand upstate will become increasingly difficult without changes in the way workers are recruited, trained, and compensated.

Complex Service Delivery System

Proliferation of agencies: An overabundance of licensed home care services agencies (LHCSAs) and the practice of subcontracting aide services—home care's version of "outsourcing"—has led to a high degree of administrative inefficiency that results in insufficient revenue to pay aides a living wage.

Inadequate Compensation for Home Care Aides

Poverty wages: Earning, on average, less than $10 per hour, home care workers are among New York's lowest paid workers. Annual incomes are further reduced by part-time hours, forcing more than 40 percent of workers to rely on public benefits to support their families.[2]

Limited access to health insurance: Twice as many home care workers as other New York workers are without access to health coverage.

Inadequate Training System

Fragmented training system: A disjointed training system leaves workers unable to move between employers and similar occupations without costly retraining.

Poor quality training: The required 75 hours of training for home health aides and 40 hours for PCAs is wholly inadequate. The content of the training—along with the largely didactic teaching methods—fails to provide trainees with the competencies needed to support clients with increasingly complex health and social needs.

Disjointed regulatory structure: The current training and certification system, fragmented in its oversight and regulatory requirements, is unable to provide needed information for workforce planning.

Few career pathways: There are few articulated pathways for skill-based career advancement, making it almost impossible for home care workers to advance their careers and increase their wages.

No Coherent Workforce Development Policy

Uncoordinated workforce policy: The many state agencies that rely on these aide services to assist elder and disabled clients have no coordinated workforce development policy.

Failure to invest: The state's workforce development system neglects home care aide positions—two of the state's fastest-growing occupations—because they pay so poorly and lack opportunities for advancement.

Policy Options

As the home care workforce approaches nearly 300,000 workers, New York State needs a set of home care workforce policies that spans the health, mental health, disability, aging, and labor sectors and can sustain the weight of the state's long-term care policy goals. The solutions must be flexible enough to address the realities of very different upstate and downstate regions, to support different roles for family caregivers, and to provide for as much consumer direction as an individual desires.

Most importantly, these policies must produce a cost-effective, well-trained, stable, professional home care aide workforce that can support the long-term care service and support needs of New Yorkers. Establishing minimum expectations for all home care jobs (raising the floor) and creating an advanced or senior aide role (building ladders) are essential components to rebalancing the eldercare/disability service system, improving clinical outcomes, and achieving greater savings.

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Systems Recommendations

1. Assess workforce capacity. In order to have an adequate supply of labor to meet the current and future demand for home care services, New York needs to create a system to monitor workforce capacity by region and by occupational level (personal care aide vs. home health aide) and to track turnover rates by employer.

Table 1: New York State Home Care Workforce, Percent Change Employment 2006–2016

Occupation	2006 Estimated Employment	2016 Projected Employment	Percent Change	Total Openings Expected
Personal Care Aides	74,680	100,790	35%	38,800
Home Health Aides	138,290	190,610	38%	64,700
All home care workers	212,970	291,400	37%	103,500

Source: NYS Department of Labor, Long-Term Occupational Projections, 2006-2016 New York State. Accessed on August 18, 2010, at: **http://www.labor.ny.gov/stats/demand.asp**.

2. Streamline information systems and promote interagency collaboration. The state should unify information on training and certification currently spread throughout multiple agencies (Department of Health, Office of Mental Health, Office of Persons with Developmental Disabilities, State Office for the Aging, State Education Department, and multiple bureaus). It should also create a working relationship between these agencies and the New York State Department of Labor to ensure the integration of workforce policy with the interests and needs of the other agencies. All parties would benefit from a consolidation of the regulations and requirements.

3. Implement prudent purchaser policies. New York State must become a prudent purchaser and funder. The state spends billions of dollars on home care aide services without assessing whether those dollars are being spent as efficiently and effectively as possible. The state must set standards for subcontractors and direct funding toward those whose workforce and clinical outcomes reflect a better investment of public resources. All home care programs and managed care plans that subcontract must be held accountable for procurement practices that contribute to better wages, benefits, and working conditions, in order to ensure a more stable and experienced workforce.

Training Recommendations

1. Consolidate training in the *best* training programs. New York has far more training programs than it needs in New York City—and fewer than it needs upstate. However, all geographic areas of the state could greatly benefit from the consolidation of home care aide training in "centers of excellence." These "best practice" training programs would recruit and select trainees with a recognition of their learning deficits and needs, train them using adult-learner centered techniques, and provide them with additional supports and services for at least the first year of employment.

2. Encourage dual certification. New York should encourage the dual certification of aides as both personal care and home health aides, and should review the requirements of other entities—such as assisted living residences and group homes for individuals with developmental disabilities—in order to streamline the employment transitions for workers across sites of care.

3. Improve training quality. The health system that is being designed for the future will focus on chronic care and disease management. Home care clients have more complex needs than in the past, yet entry-level training content has remained almost entirely focused on specific personal care and clinical tasks. New York should update training content to emphasize:

- *Specialty content areas* that meet the needs of specific populations: for example, Alzheimer's and age-related dementia, chronic diseases, and other challenging behaviors.
- *Communication and interpersonal problem-solving skills* that improve caregiver-client relationships and strengthen the ability of aides to assist clients with issues such as nutrition and fall prevention.

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- *Monitoring technologies* and electronic devices to record and access patient data.

4. Define career ladders and other opportunities for advancement. In order to take full advantage of their experience and training, aides should be working at the "top of their license." Nurses should be engaged in defining an expanded role for aides and, in turn, should develop appropriate training and support for helping aides assume these new responsibilities with self-directing clients. In addition, a number of agencies across the state have created "Advanced" or "Senior Aide" positions where more experienced aides receive additional training to assist in the classroom, mentor new aides in the field, and take the most challenging assignments. These positions now need to go to scale to provide aides who enhance their skills with clear career steps that are meaningful beyond one workplace.

Table 2: Training Requirements for Direct-Care Workers

Occupational Titles	NYS Minimum Pre-employment Training Requirements	In-Service Training Requirements
Personal Care Aides (Home Attendants)	40 hour (NYS standard; there are no federal standards)	6 hours annually
Home Health Aides	75 hours, including 16 hours of practical training supervised by a Registered Nurse, of which 8 hours are in classroom/lab and 8 hours are with a client/patient at home or in an appropriate health care facility (federal standard also 75 hours)	12 hours annually
CNAs	100 hours, comprised of at least 70 hours of actual classroom and lab training plus 30 hours of supervised clinical training time with residents in a nursing home (federal standard 75 hours, at least 16 of which are supervised practical training)	6 hours every 6 months

Sources: 1) "Home Care Curriculum," January, 2007, New York State Department of Health and DAL:DHCBC 06-02, April 13, 2006 at **http://www.nyhealth.gov/professionals/home_care/**.
2) "Home Health Aide Scope of Tasks; Guide to Home Health Aide Training & Competency Evaluation," March 2009, New York State Department of Health
3) "Nursing Home Nurse Aide Training Program for Nurse Aide Certification," January 2006, New York State Department of Health at: **http://www.nyhealth.gov/professionals/nursing_home_administrator/**

Contracting and Compensation Recommendations

1. Certified Home Health Agencies (CHHAs) and other home care programs must hold Licensed Home Care Services Agencies (LHCSAs) accountable for workforce outcomes. There have been several attempts by New York's governors—and the legislature—to address the home care industry's practice of subcontracting aide services and to increase the share of the Medicaid rate directed toward aide compensation. Despite the limited success of these efforts, the looming budget pressures provide new political momentum for home care reimbursement to be directed toward contracts with those LHCSAs that are investing in their frontline workforce and thereby improving the efficiency of the system and the quality of the services delivered. With their exclusive focus

on home care aides, LHCSAs are well-positioned to improve training and retention and provide opportunities for advancement. Contracting entities should reward LHCSAs with proven success in these workforce outcomes.

If New York wants to encourage the development of a high-quality home care aide workforce, and also plans to continue the practice of subcontracting, the state needs to hold all home care programs and agencies accountable for contracting on the basis of both workforce and health care quality. Otherwise, the home care aides will bear the brunt of the state's budget cuts.

If New York wants to encourage the development of a high-quality home health aide workforce, and also plans to continue the practice of subcontracting, the state needs to hold all home care programs and agencies accountable for their subcontracting relationships.

2. The New York State Department of Health (DOH) must require transparency. In order to improve home health aide wages, the DOH needs to know what the contractor is paying, what the LHCSA is receiving, and how home health aides are compensated.

DOH now requires CHHAs and the Long Term Home Health Care Programs (LTHHCPs) to report subcontracting rates for each subcontractor. The next step is to collect information from the LHCSAs on entry-level wages, differentials, and benefits through the new statistical report that has been revised by DOH to collect these data. These same reporting requirements must also be extended to *all* other home care programs and agencies that subcontract. These steps will enable the state to determine whether or not the aide procurement process has been modified appropriately, to reward those employers who compensate aides at higher levels.

In addition, the adequacy of the rates for licensed personnel working in home care (RNs, physical, occupational, speech/language therapists) must be reviewed and revised as needed. Otherwise, we will continue to see the "cross-subsidization" of underfunded licensed personnel reimbursement streams with home health aide reimbursement funds. This fiscal maneuver ultimately suppresses home health aide wages.

3. Implement wage parity for home health aides and personal care aides. Making the home and community-based services system more efficient requires wage parity across personal care and home health aide occupations. The current "wage inversion," whereby home attendants are paid more than better trained home health aides, means that home attendants cannot stay with their clients as they move between programs, unless they are willing to take lower wages when home health aide services are required.

4. Improve wages for all home care aides. While parity is essential to rationalizing and stabilizing the home care delivery system, parity alone is not enough. Wages for *all home care aides* must be improved if we are to build a stable, well-trained long-term care workforce that can achieve the goal of quality home and community-based care.

5. Ensure health coverage for caregivers. Home care aides, like many low-income workers, lack access to affordable employer-based coverage. The new federal health reform law, while mandating some crucial changes, does not automatically guarantee that the situation will improve for home care workers in New York.

In fact, as a result of the part-time and episodic employment of these workers, thousands of home care aides in New York are likely to remain a significant portion of the population that is unable to access employer-based coverage. Providing a public option for these workers—or concentrating the workforce in the employers who demonstrate a willingness to invest in some form of public/private partnership to ensure coverage—are two potential solutions.

Conclusion

New York State's Medicaid program spends $4 billion annually on home care aide services—and without reform these costs are projected to grow exponentially over the next two decades. In the current economic environment, these expenditures are unsustainable.

A national leader in providing home and community-based services, New York must now take a serious look at how to get the most value out of this significant public investment.

All of New York's home care programs rely predominantly on aide services. In fact, an estimated 80 percent of paid hands-on care is delivered by these workers. That is why we believe that investing in this workforce will improve both the cost effectiveness and the quality of care.

A national leader in providing home and community-based services, New York must now take a serious look at how to get the most value out of this significant public investment.

Under the current system, the home care workforce is treated as a "contingent" workforce. They are paid poorly, inadequately trained, and provided with little or no opportunity for career advancement. Low expectations feed a system in which workers are used at their lowest capacity, not their highest. The high turnover that results fundamentally undermines consistent caregiving and compromises the quality of elder care and disability services.

To ensure that Medicaid's $4 billion-plus annual investment in the home care aide workforce provides New York's residents with consistent and high-quality services, policymakers must address the inefficiencies in the current system and the needs of the aide workforce simultaneously—and from several fronts.

Most importantly, the state must:

- **Raise the floor.** Increase wages for home care aides across the board and improve training standards. This policy initiative *alone* will help attract new workers to community-based direct-care work, and help reduce turnover.
- **Provide career ladders.** Give aides the opportunity to become more skilled in a range of clinical areas—and be compensated for it. A more skilled and experience workforce will make the entire long-term care system more stable and effective.
- **Rationalize both the training and service delivery systems.** Concentrate funding in a smaller number of centers of training excellence and employers that invest in their workforce. State lawmakers have the responsibility to ensure that public resources are directed toward those providers who are raising the bar, by ensuring that their workers have the skills and opportunity to provide the highest quality care.

For those negotiating the state and federal policy and funding challenges ahead, there is no better path to ensuring that New York is "prepared to care" for its elders and people living with disabilities in the coming decades.

Endnotes:

1 The $4 billion figure is derived from the Interim Report Home Health Care Reimbursement Workgroup at **http://www.health.state.ny.us/facilities/long_term_care/reimbursement/docs/hcrw_interim_report.pdf**. It reflects the total of statewide expenditures for calendar year 2008 for Home Care Services (CHHA), Personal Care (CDPAP and Non-CDPAP), LTHHC, and Managed LTC. Percentages for aide services are calculated at 90 percent of the personal care total, 66 percent of the Medicaid Managed Long Term Care, 84 percent of the CHHA, LTHHC, TBI waiver and children's waivers. Data source: NYS DOH OHIP Datamart (based on claims paid through 10.2009).

2 PHI analysis of U.S. Census Bureau, Current Population Survey, pooled data from 2007, 2008, and 2009 Annual Social & Economic (ASEC) Supplement, with statistical programming and data analysis provided by Carlos Figueiredo.

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PHI New York is a regional program of PHI (**www.PHInational.org**). PHI is national nonprofit organization working to improve the lives of people who need home and residential care—and the lives of the workers who provide that care.

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