



PHI QUALITY CARE
THROUGH
QUALITY JOBS

To: NYS Legislature

From: PHI

Date: March 20, 2017

Re: PHI Recommendations - One-House Budget Bill Provisions Supporting Direct Care Workers

PHI would like to offer its support to four key measures in the proposed one-house budget bill that are critical for direct care workers, enabling them to provide quality care for older adults and people with disabilities. PHI is a national non-profit based in the Bronx that works to transform eldercare and disability services by promoting quality direct care jobs as the foundation for quality care. Over the past 25 years, PHI has established itself as the nation's leading expert on the direct care workforce through our research, policy analysis, and hands-on work with providers. We are affiliated with Cooperative Home Care Associates, a worker-owned home care agency that employs more than 2,000 home care aides in the South Bronx, and Independence Care System (ICS), a managed long-term care plan in New York City that coordinates care for 6,000 people with physical disabilities and frail elders living in their homes.

PHI applauds the legislature's commitment to ensuring that New York's Medicaid system, which serves as the primary funder for home health care in the state, effectively provides services and supports to all of its residents who need it.

PHI strongly supports the following measures, with a few adjustments:

- *Enhancing transparency of recruitment and retention funding* - The state provides Health Recruitment and Retention (HR&R) funding for the "recruitment, training, and retention of non-supervisory home care services workers or other personnel with direct patient care responsibility." Providing the HR&R funds separately from base rates will help ensure that the base rates go to required labor costs and that HR&R funds can meet their intended purpose of recruitment, training, and retention. Further, requiring plans to notify providers of their allocation amounts, as well as requiring plans to inform the state of their distribution methodology, helps restore transparency to the allocation of these funds. However, it is PHI's understanding that the state typically distributes HR&R payments one to three years late. We urge the legislature to add language that ensures the timeliness of these payments.
- *Establishing a high need rate cell* – When plans are provided with the same rate for a client no matter his/her level of care, these plans are inadvertently incentivized to enroll clients with low needs in order to maximize their profits. Creating a high-needs rate cell would remove this incentive and ensure adequate care is provided to New Yorkers who are most in

need of long term services and supports.

- *Expanding wage parity to CDPAP* – Wage parity has effectively increased wages and benefits for home health aides in New York City, Westchester, and Long Island. Through our experience in the field, PHI has heard of plans potentially urging clients to utilize CDPAP because it costs the plan less—even if CDPAP is not a good fit for those clients. We are concerned about these stories. Expanding wage parity to CDPAP, and ensuring that personal assistants receive the same wages and benefits as home health aides, would remove such an incentive. However, PHI strongly urges the legislature to ensure adequate funding to cover this expanded mandate, especially since funding for existing wage parity requirements is already insufficient.
- *Authorizing the Commissioner to apply a positive, geographic adjustment to MLTC rates* – Rural parts of New York State face heightened challenges in delivering long term services and supports. New York population trends (i.e., the aging of our population and a lower proportion of working-age individuals compared to those who need care) mean that it is harder to recruit a sufficient, qualified workforce in rural areas. Further, it is more difficult for providers to staff cases in rural areas, given long travel distances, the extensive travel time incurred between cases, and fewer workers. Adjusting MLTC rates in rural and other areas would bolster financial support to parts of the state that continually struggle to access long-term services and supports. We also urge including additional language that would ensure these new funds are directly passed to providers to meet the unique challenges of their geographic area, rather than filling holes in base rates given to providers.

Thank you for prioritizing these important issues. We look forward to working with you to ensure all New Yorkers have access to quality long-term services and supports. If you would like to discuss any of these recommendations, please contact Robert Espinoza, PHI Vice President of Policy, at respinoza@PHInational.org or (718) 928-2085.