

Committee on Business, Consumer & Regulatory Affairs  
Chair, Vincent Orange  
Department of Employment Services  
Performance Oversight Hearing  
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Good morning Chairperson Orange and Committee members. My name is Judith Levy and I am the coordinator for the DC Coalition on Long Term Care, a partnership of providers, consumers and advocates who volunteer their time and efforts to work toward improving and expanding the quality and options for long term care services here in DC. Thank you very much for the opportunity to talk to you about implementation of the Living Wage Legislation, and specifically about the application and process that come along with raising the Living Wage. The Coalition, unequivocally support the practice of paying employees who provide home and community based services a living wage. We have been advocating for this legislation for many years.

As you are aware, on January 6, 2014 it was announced that the Living Wage would be raised from \$12.50 per hour to \$13.40 per hour. Coupled with this increase was the announcement that this new rate would be retroactively effective from the date of January 1, 2013, meaning that healthcare agencies must compensate their workers for the “unpaid wages” of the last year. With contracts and grants for the 2014 fiscal year already set, it is unlikely that the additional funds will be added to these rewards to help offset the increased need for financial backing. The Coalition feels very strongly that because of current circumstances this

cannot be implemented, not until proper funding is allocated to reimburse the agencies for this increase in wages.

It is encouraging to see that Dr. Wayne Turnage, Director of the DCHF, has announced that the Medicaid reimbursement rate for Personal Care Aide services will be adjusted to accommodate the Living Wage, however many other agencies have not made it clear whether or not their rates or funding will increase in response to the increased expenses.

To better illustrate the hardships that an agency may be facing due to the implementation process of the Living Wage increase, I will refer to Home Care Partners, a member of the Coalition. Home Care Partners provides home health aide services to vulnerable seniors throughout the DC area. The retroactive increase in the Living Wage would result in over \$115,000 in expenses for the 2013 calendar year alone. It is extremely unlikely that that backing will come from their funders for a year that has already closed. Even if the retroactive increase was not enacted, the increase in Living Wage for the fiscal year of 2014 would cost Home Care Partners nearly \$95,000, and as stated previously it is unclear whether or not there would be additional funds awarded to compensate for the increase.

It is extremely important to all members of the Coalition to pay their employees a fair and living wage for the amazing work they carry out each and every day. I bring this to the attention of the Council because it has become particularly distressing that the employers, that have been complying with the Living Wage for so long now find themselves in such an untenable predicament. Thank you very much for your time and the chance to bring this issue to the attention of the Council.