

Committee on Business, Consumer & Regulatory Affairs
Chair, Vincent Orange

Department of Employment Services
PERFORMANCE OVERSIGHT HEARING
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Comments prepared by:

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Good morning Chairperson Orange and Committee members. My name is Marla Lahat and I am Executive Director of Home Care Partners. Home Care Partners is a proud member of the D.C. Coalition on Long Term Care and the D.C. Senior Advisory Coalition. For over 50 years, Home Care Partners has provided supportive home care services to Seniors and individuals with disabilities through the use of certified home health aides. Home Care Partners also has a training institute that provides certification training for individuals who wish to become home health aides and recently had DOES funding to provide scholarships for this training. Although we are not a Medicaid provider, our home care services are targeted to those with low and moderate incomes and are funded in DC by the D.C. Office on Aging, D.C. Adult Protective Services and the Veteran's Administration.

Today, I would like to comment on the living wage increase of \$.90 that was announced in January, 2014 with a retroactive implementation date of January 1, 2013. Home Care Partners has always been a strong supporter of the living wage. We feel that paying our aides a fair wage and offering them benefits such as agency-subsidized health insurance, retirement and leave benefits is critical to

maintaining a quality workforce. It also promotes longevity with over 20% of our workforce remaining with our agency for over 20 years.

However, Home Care Partners, like other businesses, cannot afford to pay our staff more than we bring in or more than is covered by our contracts and grants. As a nonprofit, this is especially critical. Implementing a retroactive living wage increase to January 1, 2013 would result in over \$115,000 being paid to Home Care Partners' employees in back wages for calendar year 2013. We have already received our entire grant and contract payments for 2013 and it is doubtful that another \$115,000 will be forthcoming from our funders for a year that has already closed. A retroactive increase presents both a financial and administrative nightmare. Even if the implementation of the increased living wage took place on the announcement date of January, 2014, it would still cost us almost \$95,000 for the balance of the fiscal year. Home Care Partners' contract and grant reimbursement rates are already set for FY 14 and it is doubtful that additional funds will be added to these awards to compensate for the increased living wage.

Home Care Partners recommends that this living wage increase and future increases be required for contracts and grants with the City that are entered into after the date the increase is announced. This would give us the opportunity to negotiate our reimbursement rates on all new contracts and to enter into those that allow us to pay our employees the increased wage without creating a significant financial hardship for our agency.

I urge you to please consider the financial impact of a retroactive wage increase on the employers who are expected to comply with this requirement so that D.C. can continue to be an excellent place for individuals to work, and where businesses including both for-profits and nonprofits like Home Care Partners can thrive.

Thank you for your time and consideration.