

Committee on Health  
Chair, Yvette Alexander  
The Status of Rates for Home Health Agencies in the District of Columbia  
Public Oversight Roundtable  
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Good afternoon Chairperson Alexander 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 options for high-quality long term care services here in DC. Thank you very much for the opportunity to talk to you about the status of Medicaid reimbursement rates for home health agencies as it relates to the implementation of the Living Wage Legislation of 2006. The Coalition unequivocally supports the practice of paying employees who provide home and community based services the living wage. We have been advocating for this legislation since 2005.

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 of the living wage for home health care providers. The Coalition feels very

strongly that because of current circumstances the living wage cannot be implemented, until proper funding is allocated to reimburse the agencies for this increase in wages.

Initially Mr. Turnage, Director of the DCHF, announced that the Medicaid reimbursement rate for Personal Care Aide services would be increased to 17.40 to accommodate the Living Wage. However, at this time many of the agencies believe this is not adequate.

We are entering an era where there will be an increase in the senior population along with an increase in number of residents who desire to age in their homes or in the community. Family members and friends cannot bare this burden of taking care of their aging loved ones alone. In order to promote a strong system of home health care support in the District, we must maintain and attract an adequate workforce of direct care workers, such as home health aides, and support a market of high-quality home care agencies.

Traditionally, this home health care workforce has been comprised of mostly women, along with immigrants and minorities who work in these positions with low wages and minimal benefits and insurance. This cannot go on. It does not create the environment necessary to provide high-quality home care. With the current longterm care industry's emphasis on aging in place and with dignity, we must attract and retain workers who provide high-quality services. The emphasis on the provision of home and community services instead of institutional care is also emphasized in the Affordable Care Act.

Current statistics from PHI, a national advocacy group, clearly highlight the problems of low wages and minimal benefits in the home healthcare workforce.

Personal care aides' median average wage is currently 10.73 as compared to 13.71 for nursing assistants in nursing homes. These low wages do not attract as many personal care aides as needed and thus do not help to reach the goal of deinstitutionalizing long term care. Only 47% of direct care workers are covered by employer-sponsored health insurance as compared to the national average of 68% for this workforce. The data indicates that 45% of direct care workers rely on public assistance including 31% on Medicaid and 33% on assistance with food and nutrition. This raises the question of where and how we should be spending our public dollars.

Recently the State of Minnesota, currently ranked first in the nation by the AARP scorecard for its long term care services and supports, increased its provider rates for home and community based services with a clause that includes a wage pass through for direct care workers. It states that facilities receiving a rate increase shall use 80% of the additional revenue to increase compensation related costs to employees directly. This model, along with other successful models nationwide, should serve as a point of comparison and means of guidance for the District's own system of home and community based services and reimbursement rate for increased wages.

We are not only faced with issues concerning wages of personal care aides but also reimbursement for both registered nursing and physical therapy sessions under Medicaid. The rate of \$65 has not been changed for over 25 years. Clearly all stakeholders must be included resolving issues concerning reimbursement.

It is extremely important to all members of the Coalition to pay home health care employees a fair and living wage for the both crucial and remarkable work they

carry out each and every day. Thank you very much for your time and the chance to bring this issue to the attention of the Council.