KEY INFORMATION:

GRANTEE
PHI (formerly Paraprofessional Healthcare Institute)

GRANT TITLE
Quality Care Through Quality Jobs: Expanding Affordable Coverage to New York State's Direct Care Workers

DATES
December 2007–March 2009

GRANT AMOUNT
$108,810

Grant Outcomes Report

Quality Care Through Quality Jobs: Expanding Affordable Coverage to New York State's Direct Care Workers

I. Executive Summary

Home care workers provide essential services to half a million elders and people with disabilities in New York State. Yet, nearly one-third of personal and home care aides have no health insurance coverage, and many more are inadequately insured.[1] Because of irregular work hours, the part-time nature of the work, and multiple employers, many of these workers are ineligible for either employer-sponsored insurance or public insurance. The need for home care workers—New York State's largest occupational group working in the health care sector—will grow steadily as the population ages. To ensure a stable workforce that can continue to provide quality service to consumers—who generally prefer non-institutional, personal care delivered in their homes—home care workers need access to affordable health coverage.

With this grant, PHI (formerly Paraprofessional Healthcare Institute) documented the gaps in health insurance coverage for home health workers and provided a "roadmap to coverage" for policymakers to follow to ensure insurance coverage for this group. The ultimate impact of this roadmap on ensuring continuity and expansion of coverage for the State's approximately 130,000 home care workers, however, remains to be seen.

II. The Problem

In New York State, home care workers—who have many different job titles, such as home health aides, home care aides, and personal care attendants—provide essential home-based care and support to the elderly and disabled. Yet, as many as one in three of these workers have no health insurance, and many more are inadequately insured. The part-time, episodic nature of their work may cause them to lose eligibility for public or private insurance coverage when their hours worked drop below a monthly threshold. At the same time, given their fluctuations in income, home care workers may not meet the strict eligibility requirements necessary for enrollment in Medicaid. Thus, their insurance eligibility and coverage are spotty, often changing month to month.

[1] Based on PHI's analysis of 2009 Current Population Survey data: PHI. "Health Care Coverage for Direct-Care Workers: 2008 Update," Facts 4, December 2009. http://phinational.org/policy/publications/, Accessed 1/5/2010.

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II. The Problem *Cont.*

New York State's more than 212,000 home care workers are the largest group of employees in the health sector (compared to 169,400 registered nurses employed in nursing), and demand for these workers will continue to grow as New York's elder population is expected to increase.[2]

Based on results of the research conducted under this project, offering adequate health coverage would improve recruitment and retention of workers, which in turn would help reduce chronic staffing problems faced by many employers. Consumers also would benefit by being supported by a better compensated and more stable direct care workforce.

"Health insurance may be more important than wages in reducing the turnover and increasing the supply of direct care workers," said Carol Regan, Government Affairs Director, PHI (formerly Paraprofessional Healthcare Institute). "If we want to be able to provide care services to people who increasingly want to stay in their homes, we need to find a way to make these jobs good jobs—and that means pay a minimum wage and provide health insurance."

EXPECTED OUTCOMES:

AS A RESULT OF THIS PROJECT, PHI ANTICIPATED THAT IT WOULD:

- document the health insurance crisis faced by home care workers and employers in New York State;
- provide a roadmap for key State officials and other stakeholders that would enable them to ensure that there is continuity of coverage and expanded coverage for New York's more than 212,000 home care workers;[3]
- evaluate the success of the initiative based on recognition by key stakeholders of the value of the roadmap, and evidence that they have implemented or planned to implement recommendations made; and
- demonstrate success in ensuring continued and expanded health coverage benefits for the home care workforce.

The first two outcomes were limited in timeframe and largely accomplished during the grant period. An evaluation was not completed during the grant period. The final, more long-term expected outcome could not easily be accomplished during the grant, nor was it readily attributable to the grant activities.

[2] New York State Department of Labor Occupational Employment Statistics Survey. http://www.labor.state.ny.us/stats/demand.asp, Accessed 1/5/2010.

[3] New York State Department of Labor Occupational Employment Statistics Survey. http://www.labor.state.ny.us/stats/demand.asp, Accessed 1/5/2010.

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III. Grant Strategy

Under this grant, PHI sought to address the health insurance crisis faced by home care workers and their employers across the State by influencing policymakers with new data and recommendations for change.

IV. Grant Activities

PHI contracted with the Center for Health Workforce Studies (CHWS) at the School of Public Health, State University of New York at Albany, to conduct the first comprehensive State survey of insurance coverage for home care aides in upstate New York and Long Island. As there is no registry or list of home care workers, the grantee surveyed employers to obtain data on their employees. The survey was designed to measure:

- the extent to which employers offered insurance;
- the types of insurance offered;
- eligibility requirements; and
- take-up rates.

CHWS staff mailed the survey to 517 upstate and Long Island home health agencies certified or licensed by the New York State Department of Health as of fall 2007. Ninety (17.8%) of those surveyed completed the one-page questionnaire (nine were undeliverable). The data were used as the basis for PHI's report, *Health Insurance Coverage of New York State's Home Care Aides: Findings from a 2008 Survey of Home Care Agencies Outside of New York City*.

CHWS also conducted five focus groups to obtain additional agency and worker perspectives on the coverage issue:

- two focus groups involving a total of 14 participants representing 14 employers; and
- three focus groups—on Long Island, in Albany, and in New York City—involving a total of 31 workers.

Using the survey data, as well as that from New York City's SEIU/1199 National Benefit Fund, PHI partnered with Manatt Health Solutions to analyze existing coverage initiatives and to assess its capacity for meeting the needs of the home care workforce. Coverage data for the New York City home

[4] Union members are more likely than non-unionized ones to have health coverage. In New York City, 90% of *home attendants* (known as personal care attendants elsewhere in the State) are unionized. They are employed by licensed home care services agencies that contract with the City. (In contrast, only 43% of *home health aides* are unionized.) Beginning in 2008, unionized workers were provided health insurance under the Family Health Plus Buy-in program, a public-private partnership. Sparer, Michael S. *Medicaid and the Limits of State Health Reform*. Philadelphia: Temple University Press, 1996.

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IV. Grant Activities *Cont.*

care workforce already was available from the Service Employees International Union (SEIU) 1199 Benefit Fund, which for the last 20 years has been the union for the City's home care workers.[4]

PHI used the results of this analysis to create its roadmap for State officials and policymakers. PHI made recommendations for improving health coverage among home care workers, which it published in a second, 58-page report, Is *New York Prepared to Care? A Comprehensive Coverage Solution for Home Care Workers*.

Both reports were distributed to stakeholders and industry associations. PHI staff held meetings in Manhattan, Albany, and Washington, D.C., to discuss the findings and recommendations. These meetings involved key legislators and their policy staff, the New York State Department of Health, business and coverage coalitions, union officials, employers, advocates, researchers, and the news media.

V. Challenges

Project staff members attribute the mailed survey's low response rate to the complexity of the problem, the nature of the agencies employing home care workers, and other political and environmental factors. For instance, the association that represents many of the employers did not endorse the research. Given that New York City has high levels of unionization and health insurance coverage, employers outside the City may have believed that health insurance coverage could become a pro-union issue.

Because of the low survey response rate, the results from this study should be interpreted with caution. The researchers compared their data to national data, though, and found similar results.

Home care agencies range in size and governance structure. Some are small, family-run agencies while others are large, established visiting nurse associations. Of those responding to the survey, 20% were publicly sponsored agencies, 38% were privately owned nonprofit agencies, and 43% were privately owned for-profit agencies. "Some of these agencies are very thin in terms of overhead and administration," said Carol Rodat, PHI's New York Policy Director. "They don't have directors of human resources who can pull together the data we were asking for."

VI. Results

PHI accomplished the first two of its expected outcomes during the grant period by surveying a sample of New York's home care agencies, documenting the health insurance issues faced by workers of these agencies, and creating a roadmap for policymakers using these data. The data collected in the initial survey, however, were limited by the low survey response rate. An evaluation was not completed during the grant period. The final expected outcome—to demonstrate success in ensuring continued and expanded health coverage benefits for the State's approximately 130,000 home care workers—was more long-term and not easily accomplished during the grant nor readily attributable to the grant activities. At the same time, the potential impact of the policy recommendations created under this grant is difficult to assess because the project lacked an evaluation.

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VI. Results *Cont.*

SURVEY. The responses of 90 participating upstate and Long Island home care agencies that employed 13,000 home care workers found that:

- 90% of employers believe health insurance is "essential" or "important" to the recruitment and retention of home care workers; and
- public agencies, which are primarily located upstate, are more likely than for-profit and nonprofit agencies to offer health care coverage.

Among home care workers:

- 25% work for agencies that offer no health coverage;
- 29% work for employers that offer coverage, but they are ineligible;
- 21% work for employers that offer coverage, yet they are not enrolled; and
- 25% are enrolled in employer-sponsored health insurance plans.

Further calculations by the Center for Health Workforce Studies based on the survey data reveal that, if every agency that participated in the survey:

- offered a health insurance plan at current rates of eligibility and enrollment, 33% of home care workers would be enrolled;
- offered coverage at current premium costs and every aide were eligible for coverage, about 54% would choose to enroll; and
- paid 90% or more of the health premiums, approximately 83% would be covered (currently, agencies pay various levels of employees' health premiums).

Two main factors contribute to low enrollment by workers among agencies that offer health insurance:

- worker eligibility requirements—such as minimum hours worked (mean weekly requirement of 26 hours) and minimum length of service (which varied from none to one year with a median of 10 weeks); and
- high insurance costs—home care workers' wages are low (the statewide median hourly wage for home care workers is $9.74), as are employers' contributions to premium costs.

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VI. Results *Cont.*

The challenges that New York home health agencies face to provide health insurance to their employees are, therefore, significant.

DATA ANALYSIS AND POLICY RECOMMENDATIONS. The second document prepared under this grant, *Is New York Prepared to Care? A Comprehensive Coverage Solution for Home Care Workers*, offers further analysis of the data and recommendations for policymakers.

New York State has been a leader in providing health insurance coverage for its home care workforce through a number of progressive funding policies and high rates of unionization. The PHI preliminary assessment of the 2007 Family Health Plus Buy-In initiative of the 1199 National Benefit Fund for Home Care Employees in New York City, however, found a significant drop in enrollment. While the Fund made some specific eligibility changes that may have caused some of the drop in enrollment, the Fund also attributes another portion of the drop to a complicated enrollment process, higher employer costs, higher out-of-pocket costs for individuals, and other factors that point to a continuing erosion of coverage. Based on PHI's analysis, one in three personal and home care aides in the State are without coverage and many more are underinsured. This trend undermines the home care workforce at the same time that the need for it is increasing.

In *Is New York Prepared to Care?*, PHI staff recommends that New York State prevent further erosion of coverage and provide coverage to a larger number of home care workers by taking actions to:

- simplify and streamline enrollment in Medicaid and Family Health Plus Buy-In programs for home care workers, eliminating redundant income and residency documentation requirements; and
- create a public-private Home Care Workers Insurance Fund, through which multiple employers could pool risk and share an administrative structure, better enabling them to afford to offer coverage based on an established benchmark standard.

PHI also made some secondary recommendations:

- increase the State's commitment to subsidizing employer-sponsored insurance coverage by ensuring adequate reimbursement for home care services, so that employers can afford health insurance coverage for employees;
- keep workers enrolled in Medicaid and other public insurance programs for 12-month periods, regardless of monthly fluctuations in hours worked; and
- improve oversight of public funds used to provide health insurance for home care workers in order to gather data for analysis and long-term evaluation of their health coverage.

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VI. Results *Cont.*

POLICY UPTAKE. While the project directors found their reports were well received, they believe the reports are only the beginning steps on a long road to change. "This work's time has not yet come. I see us as building a foundation," said Rodat. "We have a data base and the research now, so that when we go forward we can present a picture of this workforce and the problems of coverage."

Both Rodat and Regan found their reception by members of Congress gratifying. "Some of the immediate recommendations—such as simplifying eligibility for coverage—have resonated on the national level. We also were able to show clearly how these workers are caught in the middle, without health care coverage because they are either not eligible for Medicaid or not covered by their employer and are being left behind," said Regan.

However, the project was not evaluated for the feasibility of its recommendations and its actual impact on policymakers. Anecdotal evidence suggests the report's recommendations are resonating at a national level, but whether these recommendations will influence State policymakers to develop and enact legislation remains to be seen. It is premature to expect the grant to have resulted in immediate policy change; however, there is no evidence to suggest that the roadmap will ultimately lead to policy change and expanded coverage for home care workers—the ultimate goal of the project. The policy environment also changed during the course of the grant, with renewed Federal interest in health insurance reform. Future reforms could potentially address the needs of home care workers, and State policymakers are likely waiting to see what happens nationally. If national reform does not happen as broadly as is hoped, there may be an opportunity to gain renewed interest in PHI's work with State policymakers.

Project personnel believe that while New York policymakers say that they are committed to expanding health coverage for low-income adults and children, the policies in place run counter to that goal. Currently, there is no requirement that New York's employers provide health care coverage, even though many workers are in effect paid with State monies through Medicaid reimbursement for the services they perform.

The New York State Department of Health provides funds to home care agencies to use for health insurance for home care workers, but does very little to enforce how these funds are used in practice. Rodat views this as a public accountability issue. "Agencies should be responsible for providing health insurance coverage to their workers, said Rodat. "The State is putting money out there and does not know whether it is getting to the workers in the form of benefits."

VII. Lessons Learned

"Health insurance and health reform are very complicated," said Regan. "They are complicated organizationally because of contracting and subcontracting systems and regional issues.

"You have to have good, open relations with large and powerful parties—with the union, the State, basically, with as many people as possible," Reagan continued. "We tried to tell a story that was understandable to a wide range of policymakers and advocates. The work is complex, but, to finally be successful, you have to be simple."

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In a fast-changing political and economic climate, the questions a project director asks throughout the duration of a project may change. "New York was ahead of many states in its coverage for home care workers," said Rodat. "But as we worked on this project, our question changed from 'are we gaining coverage?' to 'are we losing ground here?'"

From the Foundation's perspective, more evaluative data on the potential influence of these policy recommendations would have been helpful. In addition, an evaluation with some early focus groups might have helped to steer the direction of the analyses and policy recommendations in ways that would be more likely to receive the attention and support of State policymakers.

VIII. Future

Carol Rodat is a member of a work group that will recommend to the New York State Department of Health changes to home care reimbursement. "That could provide us with a policy opportunity to raise the issue of health coverage in the context of reimbursement," said Rodat. "If we want to provide quality care and the State is the responsible payer, then we need to ask what reimbursement policies can be put into place so that employers can provide health coverage for home care workers."

Because of the reports' attention from both State and Federal policymakers, Rodat said, "I believe with these reports we did move the issue forward, and we are going to see some major leaps in the next year." Whether the reports will indeed create the impact PHI sought, however, remains to be seen.

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BACKGROUND INFORMATION:

ABOUT THE GRANTEE

PHI (formerly Paraprofessional Healthcare Institute) works to improve the lives of people who need home and residential care—and the lives of the workers who provide that care. Using workplace and policy expertise, it helps consumers, workers, employers, and policymakers improve eldercare and disability services by creating quality direct care jobs.

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