



**Testimony of United Neighborhood Houses
Before the New York City Council Committee on Civil Service and Labor
Council Member Carmen De La Rosa, Chair**

Resolution 1382: State Action on the Home Care Workforce

**Presented by Tara Klein, Deputy Director of Policy & Advocacy
March 7, 2023**

Thank you Chair De La Rosa and members of the Civil Service and Labor Committee for the opportunity to present testimony about Resolution 1382 by Speaker Adams, which calls for State action on legislation to increase the wages and improve the working conditions of home care workers. United Neighborhood Houses (UNH) is a policy and social change organization representing neighborhood settlement houses that reach over 770,000 New Yorkers from all walks of life. A progressive leader for more than 100 years, UNH is stewarding a new era for New York's settlement house movement. We mobilize our members and their communities to advocate for good public policies and promote strong organizations and practices that keep neighborhoods resilient and thriving for all New Yorkers.

Three UNH member organizations provide nonprofit home care services to their communities as state licensed home care services agencies (LHCSAs): Chinese-American Planning Council, St. Nicks Alliance, and Sunnyside Community Services. Together, every year these settlement houses provide services to thousands of individuals in New York City. In 2021, the three settlement houses in UNH's network joined together as a broader coalition of ten total New York City-based nonprofit home care providers as the Community Homecare Consortium (CHC). The group is working to develop new models of community-based home care that make financial sense for nonprofit organizations, including creative ways to share resources, innovate through technology, and advance a policy platform. Our comments today are drawn from this group's discussions around home care policy.

Thank you to Speaker Adams for introducing the resolution and to the Committee for taking swift action. Today's hearing and vote demonstrates the Council's support for the home care workforce and recognition of the deep and urgent needs of the sector. We appreciate that the Council recognizes the State's outsized role in regulating this industry. The resolution covers a lot, recognizing that this is a complicated issue that needs a great deal of intervention. UNH supports the resolution.

We strongly support Fair Pay for Home Care, as laid out in S.3189 (May) /A.8821 (Paulin). Despite some actions in the State Legislature to raise home care worker wages over the last two years, the recent increase in the statewide minimum wage, proposed cuts to CDPAP, and other budget actions have made these small increases effectively moot. Fair Pay for Home Care is still urgently needed, and is a silver bullet to address many of the challenges in the sector. The bill would establish a base wage for home care workers at 150% of the regional minimum wage, whether that wage is set by statute or a wage order, and requires annual adjustments via the Department of Health. Critically, the bill includes a funding mechanism by establishing the Fair Pay for Home Care Fund and subsidizing Medicaid payment rates when necessary. This will ensure pay rates are funded through reimbursement rates and do not unfairly fall on providers.

Fair Pay for Home Care is ultimately an economic development program. A report from the CUNY School of Labor and Urban Studies found that this legislation would create 20,000 additional home care jobs per year for the next decade, create nearly 18,000 new jobs within local businesses due to the increased spending capacity of these home care workers, and result in net economic gain of billions of dollars for the State.

We agree with the resolution's framing around the challenge of 24-hour care, a nuanced issue that boils down to paying workers for every hour worked, and ensuring no one is forced to work a 24-hour shift. UNH has partnered with our provider network for many years to reform the unjust State Department of Labor regulation that only pays workers for 13 hours of a 24-hour shift in most cases. We point to State legislation we support that would address this issue by increasing the use of split shifts: S.6561 (Persaud)/A.6899 (Epstein).

UNH is still analyzing the Home Care Savings & Reinvestment Act, S.7800 (Rivera) / A.8470 (Paulin), which would eliminate the use of Managed Long Term Care Plans in the home care system. This legislation was born from provider concerns that MLTCs are not fully passing through the value of any State-funded home care worker pay raises to them, thereby causing financial distress as providers legally have to cover worker raises without being fully paid for them. While legislation has been proposed to require MLTCs to pass down the full rate increase to providers (S.6963 (Rivera)/A.7335 (Paulin)), this bill takes a more radical approach by eliminating MLTCs all together.

The legislation is still relatively new and proposes deep structural reforms to the system, and we are analyzing the potential impact to services through its implementation. There are some questions and concerns, for example, around the timeframe and process to return to a fee-for-service model, how to conduct assessments, and whether there is a mechanism to ensure the savings from this bill are specifically reinvested in home care rather than taken as a general savings for New York State. However, the concept shows promise, and we believe the bill is drafted in a way where many of the details and concerns could be addressed with a careful implementation process.

Broadly, we believe that policy actions to support the home care workforce are a good thing, and we look forward to continuing to work at the State level to support both structural reforms and immediate budget actions to bolster the home care system and providers.

Thank you. To follow up, please contact me tklein@unhny.org.

Testimony to New York City Council
Committee on Civil Service and Labor
Regarding Resolution 0202-2024

Bryan O'Malley
Executive Director

Consumer Directed Action of New York

Greetings Councilmembers. I appreciate the invitation to provide testimony on the critical issue related to the adequacy of home care wages. My name is Bryan O'Malley, I am the Executive Director of Consumer Directed Action of New York, the advocacy and political arm of the Consumer Directed Personal Assistance Association of New York State. We serve as the voice of the consumer directed personal assistance (CDPA) program, representing both consumers who use the program and fiscal intermediaries who administer it, working to continually build and strengthen the program for those it serves, and those who will need it in the future.

No issue has been a more pervasive problem for those in need of home care, whether in "traditional", agency-based home care or CDPA, than the negative impact of low wages. We have been making the case for higher wages for years. As members of the Caring Majority coalition, we played a large role in the creation of Fair Pay for Home Care, building the unprecedented coalition supporting it, and achieving the partial victories that have been won to this point.

However, as has too often been the case over the past decade, we again find ourselves having to forgo efforts to raise wages in order to merely protect wages and benefits already in place. Even as this body discusses a resolution in support of higher wages, at the State we are battling the elimination of wage parity for CDPA, eligibility cuts that would leave about 80,000 residents of New York City no longer eligible for the program, and more.

That is yet another reason why the Home Care Savings and Reinvestment Act is so critical - it represents a choice to reconfigure our long-term care system in a way that puts front and center the disabled and older New Yorkers who need the services, and the workers who provide them. It will allow us to have a system that can accommodate, [according to AARP](#), a New York City where the number of people over 65 increased by at least 32% over the last decade, and where 1 in 4 older residents of the Bronx, 1 in 5 older residents of Brooklyn, and 1 in 6 older residents of Manhattan live in poverty.

As we look closer at the need for Fair Pay for Home Care and the Home Care Savings and Reinvestment Act, I would like to bolster the numbers provided in the hearing announcement with CDPA specific numbers, for added perspective.

Since 2016, our sister organization CDPAANYS has routinely surveyed consumers, the results of which are published in a report titled [The High Cost of Low Wages](#). The 2021 version of this report, the third iteration, examined the data longitudinally, and it was telling. Some of the key findings were:

- When asked how often they are looking for personal assistants (PAs), the number who indicated they are "constantly looking" jumped from about 1 in 12 in 2016 to 1 in 3 in 2021;
- In 2016, 1 in 2 consumers identified PA compliance with medical components as the largest delay in hiring, with 1 in 5 identifying "awaiting responses to an ad" or "turned down job". By 2021, those had completely reversed.

- When asked to think about the last five PAs who quit, 28% had done so because of low pay or because they found a higher-paying job. Another 9% changed jobs, although we do not know if it was due to wages. 12% indicated they were quitting due to insufficient hours, which is often an indicator of not being able to work overtime or not being given enough hours to allow the low wages to be financially viable.
- Statewide in 2021, 25% of consumers were forced to supplement wages from the agency in order to hire workers, an increase of 7% from 2016. The largest share of that increase came from New York City.
- When asked if their workers would prefer a \$1/hour wage increase or increased benefits, consumers responded with the \$1/hour wage increase 85% of the time.

We will conduct the survey again this summer to determine the impact of the raises over the past two years. However, the impact of the second increase is expected to be mitigated in New York City, as it was a raise in name only. This “raise” was synced with a corresponding cut to wage parity, essentially forcing many workers who had been receiving these payments in the form of wages to pay for their own wage increase. Even for those receiving benefits, the raise was accompanied by a corresponding cut to those benefits.

Fair Pay for Home Care will fix this by requiring home care workers across the sector to receive 150% of the minimum wage. With the minimum wage at \$16/hour, this would mean home care workers would receive \$24/hour in wages. This would bring the annual wage from just only a few thousand over the Federal poverty level for a family of four at \$38,500 to over 160% of that same standard at \$49,920, moving them outside of the more accurate 150% FPL used by New York City in calculating poverty.

The Home Care Savings and Reinvestment Act would help pay for this wage increase by ending the failed experiment of managed long-term care (MLTC). MLTC was meant to provide coordinated long-term care and Medicare benefits. Integration with Medicare never happened, and in the twelve years the program has been in place, most of the services managed by these companies have been removed. The latest was transportation, which was shifted to fee-for-service on March 1 of this year. Even the core insurance service of providing assessments has been stripped from the plans and contracted out to Maximus to administer through the New York Independent Assessor.

For the most part, care management occurs in name only. Those who receive services often have to correct these care managers on critical information such as their Medicaid ID number, the number of hours they are authorized to receive, or the agency providing their services. One consumer, who happens to be the Board President for CDPAANYs, reported that her plan used a toll-free number that went directly to a voicemail box promising a call back within 24-72 hours.

This means New York now pays these insurance companies \$4,500 to \$5,000 per member, per month to manage one benefit in personal care, which includes CDPA. The promised care coordination has not occurred, nor has care management. Eliminating these companies as

outlined in the legislation could deliver over a billion dollars in savings, funds that can and must be reinvested back into home care.

As I mentioned at the beginning of this testimony, it is imperative we make this change now, because while this body is rightly discussing how to raise wages and improve benefits, Governor Hochul's proposed budget goes in the other direction, cutting wages and eliminating eligibility for over 100,000 consumers.

The Governor's budget removes CDPA personal assistants (PAs) from wage parity. If passed, the supplemental \$2.54 these workers receive in wages or benefits, amounting to 12% of their wage, would disappear. The message that PAs are "second-class" home care workers who do not deserve the same compensation as their peers in agency-based care would be received loud and clear. When fully implemented, accounting for Federal matching funds, this is a wage and benefit cut totaling \$800 million per year, and tens of thousands of workers are likely to find other work, leaving those they provide services to with nobody.

The Governor would also eliminate the role of designated representatives, or DRs. These individuals self-direct services in CDPA when the consumer is not capable of doing so themselves. This one provision would mean 40% of those receiving CDPAP, 100,000 people across New York and about 80,000 in New York City, would lose eligibility on October 1. This is 80,000 medically fragile children, people with profound developmental disabilities, older people with Alzheimer's disease or dementia, and those who are nonverbal or face other language barriers who will suddenly find themselves without care.

And the cuts do not stop there. Cuts that would prevent home care agencies from also administering CDPAP pose the potential of leaving HRA with no contracted fiscal intermediaries in its fee-for-service CDPA program. Proposed restrictions on the number of hours PAs can work and requirements for state-mandated training would undermine two of the underlying tenets of self-direction - tenets outlined by disability advocates on Roosevelt Island when they created the program as a model for the state and country in the late 1970s.

In light of these proposals, it is heartening to find myself before a body looking to say we must put the lives of older and disabled workers and a living wage for the home care workers who do this critical work over the delivery of billions in profits to insurance companies who play no discernible role in the system.

With that, I thank you again for having me and welcome any questions.



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CIDNY's Testimony on Home Health Aide Res. 0202-2024

Center for the Independence of the Disabled, New York (**CIDNY**) is the voice of people with disabilities in New York City. We are a nonprofit organization founded in 1978. We are part of the Independent Living Centers movement, a national network of grassroots and community-based organizations that enhance opportunities for people with disabilities to direct their own lives. We hereby testify to support Res 0202-2024.

Flashback to Int 175

A couple of years ago, New York City passed Int 175, a bill which aimed to control and better manage the work and deliverables of homecare services. But the bill limits the hours of workers to 12 hours per shift and 50 hours per week. That legislation has a detrimental impact on both the consumers (patients) and the homecare aides.

As we advocate for our consumers to live independently, we firmly oppose Int 175 and highlight that it threatens the lives and independence of people with disabilities and the elderly. Limiting the hours and saving the money allocated for adult care will not save the lives of people who need care. If we truly want to better their lives we should be bringing them to the table for their lived experience and input before passing such legislation.

Pay Raise and Short Staffing

Regarding homecare workers, we all know that they are not sufficiently paid. That is why they work long hours to make enough money for a living. We have been advocating for their raise these couple of years. Only \$2 was added to their hourly rate in 2022. Low pay is making it hard to find workers that would provide the care that our seniors and disabled consumers need.

In addition, it is hard to recruit homecare workers, as their jobs may jeopardize their health. This situation has led to a short staffing. Thus, the homecare industry continues to face increasing staffing shortages as numerous homecare workers retire, transition to new roles or switch industries.

CIDNY's Support

CIDNY strongly supports Resolution 0202-2024 and is calling on the New York State Legislators and Council Members to increase the wages and improve the working



conditions of home care aides also to support these workers and ensure essential growth of their workforce.

This testimony was approved by our executive director, Dr Sharon McLennon Wier.

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Appearance Card

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in favor in opposition

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Name: Tara Klein

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