

IN NEW YORK STATE, FAST FOOD WAGES WILL SURPASS HOME HEALTHCARE WAGES STARTING JULY 1, 2021.

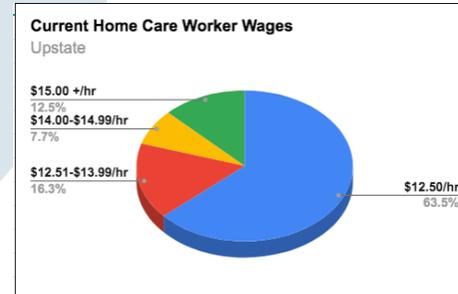
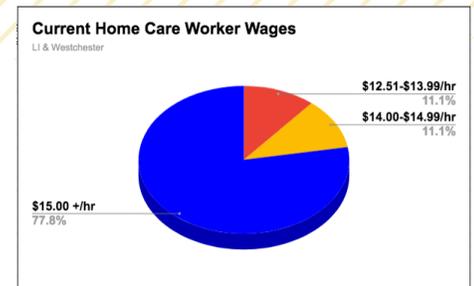
On July 1, 2021, the fast-food minimum wage will increase to \$15 per hour statewide, catching up with New York City where this rate had been in place since December 31, 2018. For non-fast food industries, the current minimum wage outside New York City, and Nassau, Suffolk, and Westchester counties is \$12.50/hour.

After July 1, fast food workers upstate will earn \$2.50 more per hour than the vast majority of home care workers, nearly all of whom make at or slightly above the minimum wage. Low wages have made it increasingly difficult for self-directing Medicaid consumers and home care agencies to hire workers to provide home and community-based services that empower people with disabilities and seniors to live independently rather than in an institution. As fast-food wages have risen, home care wages have stagnated, leading to 'worst in the nation' crisis in recruitment and retention where tens of thousands of seniors and disabled are forced to go without services or become institutionalized.

When there is a shortage of available workers, people with disabilities and seniors forgo the services necessary to live safely in the community.

Key findings

- Nearly two out of every three workers in Upstate counties are paid the minimum wage. Almost 90% earn less than \$15 hourly.
- Seven out of every ten consumers Upstate and 3 out of every five in Long Island and Westchester cited low pay as the reason their workers quit.
- About 1/3 of Upstate consumers said their worker reported quitting to take a job in fast food, as did more than one in four respondents in Nassau, Suffolk, and Westchester. This does not include the almost one in two in each location who did not know why workers left.



Consumers within the Consumer Directed Personal Assistance (CDPA) program, particularly those living in rural areas, report an inability to staff some or all of their authorized hours, and in some upstate counties, one cannot open a new home care case today. Consumers who cannot access these services are at imminent risk of illness, injury and institutionalization against their wishes.

CDPA consumers statewide were surveyed in the spring of 2021 about the impact of low wages on the recruitment and retention of their workers and their perceptions about the impact of the anticipated effect of the July 1 fast-food wage increase. A full report on the survey's findings will be released in July 2022, this issue brief details the specific impact of the pending minimum wage increase in the Upstate area.*

* "UPSTATE" REFERS TO ALL COUNTIES EXCEPT NEW YORK CITY, WESTCHESTER, NASSAU, AND SUFFOLK.



- Almost half of the upstate respondents and more than a third in Nassau, Suffolk, and Westchester Counties stated that their workers have told them that they plan to leave their current home care job to work in fast food for higher wages in the future.
- More than a quarter of Medicaid consumers living outside of New York City report supplementing their workers' wages with private pay.
- More than 75% of consumers upstate and more than 50% in Long Island and Westchester report engaging in recruitment activities at least once per year, with more than a quarter in all regions identifying that they are perpetually recruiting.
- When asked whether their employees would prefer \$1 more per hour or an increase in fringe benefits, 89% of consumers upstate replied that they would prefer the \$1 hourly raise. 79% of consumers in Nassau, Suffolk, and Westchester responded in kind.

Conclusion

New York is the epicenter of a nationwide home care workforce crisis. In 2016, Mercer Consulting issued a report that projected a shortage of 50,000 home care workers in the state by 2023. Their latest report now predicts that by 2025 the shortage will be 83,000.

New York is aging rapidly, and demand for Medicaid home and community-based services, and the need for workers to provide them, will continue to increase. Stagnant reimbursement, or in many cases actual cuts, have caused wages to fall behind those in other sectors, making it more difficult to recruit and retain workers. To resolve this, the state must take a number of actions, including:

- The Fair Pay for Home Care legislation (S.5374/A.6329) would create a new minimum wage for home care workers equalling 150% of the highest minimum wage in a region.
- Federal home and community-based spending funds that total \$1.6 billion, approximately \$700 million of which is dedicated to state plan Medicaid services through DOH, must be spent on increased wages for workers.
- Any increased wages must either bypass managed care companies or come with strict requirements on pass-throughs that ensure the funds reach providers and workers in amounts sufficient to cover the increased wages and other related costs.

For more information, please contact Julia@cdpaanys.org or call 518-813-9537 x2.

2. NARLOCK, J., & STEVENSON, M. (2016). (REP.). HEALTHCARE WORKFORCE 2025 PART II TRENDS IN THE HEALTHCARE WORKFORCE. MERCER LLC US HEALTHCARE LABOR MARKET ANALYSIS.

3. STEVENSON, M. (2018). (REP.). DEMAND FOR HEALTHCARE WORKERS WILL OUTPACE SUPPLY BY 2025: AN ANALYSIS OF THE US HEALTHCARE LABOR MARKET. MERCER LLC US HEALTHCARE LABOR MARKET ANALYSIS.