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## Include Fair Pay for Home Care in the NYS 2022-23 State Budget



### ***New York's home care is in a full-scale crisis.***

- **Worsening Home Care Workforce Shortage.** Increasing numbers of New Yorkers need home care services to live safely in their homes and communities. With wages well below those of other sectors, the home care worker crisis is severe and getting worse, with some home care providers seeing a 30-40% decline in their workforce. Every year, NYS employers need to recruit more than 26,000 new aides to keep up with the demand for care, and more than 71,000 additional aides to replace those who leave direct care or exit the labor force entirely.[1]
- **Inadequate Reimbursement Destabilizing the Home Care Sector.** Most licensed home care services agencies (LHCSAs) and fiscal intermediaries (FIs) are not adequately reimbursed to cover their basic costs. By and large, NYS Medicaid has not sufficiently accounted for provider and wage costs when setting rates for managed long-term care plans (MLTCP), and MLTCPs do not reimburse LHCSAs and FIs sufficiently to cover their costs. The problem has worsened in recent years as the minimum wage has increased. The result has been major instability and financial losses in the home care sector.

***It is time to make significant investments into home care and community-based services (HCBS) to alleviate workforce shortages, ensure New Yorkers have access to community-based care, and lift hundreds of thousands of low-income individuals out of poverty, primarily women and people of color.***

## Fix the Growing Home care crisis: Include Fair Pay for Home Care in the NYS 2022-23 State Budget

To address the growing home care workforce shortage and support the critical home care infrastructure in New York State, the Fair Pay for Home Care Act (A.6329-A Gottfried/S.5374-A May) must be enacted and fully funded. Hourly reimbursement rates are the largest and usually the only source of payment for agencies that provide home care and personal care services. Fair Pay for Home Care recognizes that *home care worker wages and adequate reimbursement rates for their employers are inextricably linked and inseparable*. It establishes:

- **A higher base wage to ensure home care workers** are fairly compensated for their essential service to individuals in need and to the overall health care system.
- **Sustainable minimum reimbursement rates based on actual provider costs.** Rates would be calculated each year from audited cost reports. Rates include higher worker wages and related labor costs such as overtime, benefits, and payroll taxes (contributing to 84% of rate), as well as additional workforce investments and necessary standard operational costs.



### Fair Pay for Home Care is Economic Development

It would create 20,000 additional home care jobs per year and generate \$5.4 billion in increased State revenue from reduced reliance on public benefits and increased spending power.[2]

### Fair Pay for Home Care is Economic & Health Justice

- More than 90% of the nearly 500,000 NYS home care workers are female. 81% are people of color.[3]
- The median wage for home care workers in New York is under \$15 per hour. Nearly half (49%) of this workforce lives in or near poverty, and 57% rely on public assistance to make ends meet.[4]
- More than 70% of Medicaid home care beneficiaries are from communities of color, and are disproportionately harmed by home care worker shortages .[5]

#### References

- [1] Jabola-Carolus, Isaac, et al. 2021, The Case for Public Investment in Higher Pay for New York State Home Care Workers: Estimated Costs and Savings, [2] 1) Jabola-Carolus, Isaac, et al.  
[3] PHI. "Workforce Data Center." <https://phinational.org/policy-research/workforce-data-center/>. Accessed February 7, 2022.  
[4] PHI. "Workforce Data Center."  
[5] Unpublished analysis of T-MSIS 2016 data, 2021

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