



**Statement of the Coalition for  
R.E.A.L. Home and Community-Based Services in Pennsylvania**

**In front of the**

**Senate Aging & Youth Committee and  
Senate Labor & Industry Committee  
Lebanon, Pennsylvania  
April 28, 2009**

**Presented by  
Crystal Lowe, Executive Director  
PA Association of Area Agencies on Aging**

Thank you Senator Vance, Senator Gordner, Senator Washington, Senator Tartaglione and members of the committees for providing us the opportunity to present testimony this morning. I am Crystal Lowe, Executive Director of the Pennsylvania Association of Area Agencies on Aging, which is a member of the Coalition for R.E.A.L. Home and Community-Based Services in Pennsylvania. With me on the panel today is Dan Loftus, Executive Director, Northeast PA Center for Independent Living; Keith Williams, a consumer and community organizer for the Northeast PA Center for Independent Living and Judith Szeles, a Act 150 consumer from Dauphin County.

The R.E.A.L. Coalition is made of five associations, the PA Providers Coalition Association, the PA Homecare Association, the Area Agencies on Aging Association, United Cerebral Palsy of PA, and the National Private Duty Association. Our organizations represent consumers of all ages, workers and employers that all oppose the creation of the Consumer Workforce Council as proposed through an intergovernmental agreement (IGA).

The initial concept of the Council was initiated by the Department of Labor & Industry in late 2007 under the name of the Quality Home Care Commission (QHCC). The first public presentation on this initiative was at a House Democrat Policy Committee meeting in late May 2008.

As more stakeholders became aware of the IGA and voiced concerns, Secretary Vito created a stakeholder group to review and revise the initial agreement. The group was given four weeks to modify the proposal and on September 5, a so-called new proposal was submitted to Secretary Vito, without group consensus. At least two stakeholders' dissenting opinions were not included in the formal final document. In November of 2008, many groups presented concerns about the Council to the House Republican Policy Committee.

Unfortunately, there is not much difference between the two proposals except for the name and the elimination of fiscal management services as a responsibility of the Council. Many of the concerns with the initial proposal remain.

Fortunately, there are many areas of the proposal in which we all agree. We agree that direct care workers are valuable resources and deserve livable wages and access to health care benefits. Their work with some of our most vulnerable citizens must be recognized and rewarded by supportive work environments, better pay, opportunities for career advancement and an inclusive team approach to caring.

We also agree that consumers must have choices on how and where to receive their care. The current long-term living system allows for those choices by empowering consumers to choose to hire their family, friends or neighbors to care

for them through the consumer-directed model or some people may choose to utilize a homecare agency or homecare registry to provide that care.

We also agree that consumers need to have a voice on the importance of paying a livable wage and ensuring their workers have benefits. We believe our consumers are interested in all direct care workers, not just those who might fall under the Consumer Workforce Council. The Consumer voice has not adequately been heard as we have lobbied the administration and the legislature for increased funding and higher rates. Perhaps had they been heard, we would not be here today.

Today, under the Aging Waiver program and other home and community-based programs, more than 68,000 seniors and individuals with disabilities are receiving in-home services from their neighbors, friends, family and homecare agencies and registries. It's also important to note that more than 80% of the Area Agencies on Aging have waiting lists for services as part of the OPTIONS in-home care program not because they can't find attendants, but because the funding for these services is not available.

The method we follow in order to achieve these goals is where differences arise.

The proposed Council would significantly alter the way Pennsylvania currently provides home and community-based services and could have a profound

negative impact on the availability of future services. As a Coalition we believe that the creation of a quasi-governmental state agency is not in the best interests of the long-term care continuum. The Council would only add another state bureaucracy, at a time when finances are already strained, to meet needs that are currently provided through the current system.

As elected state officials with oversight of state spending and programming, the financial implications of creating such an entity are significant. Despite the potential financial impact, this proposal has been developed with very little public or legislative input prior to today, including the absence of any financial analysis to state and county budgets.

The reality is that funding for long-term care services through the state budget is limited, particularly as the state is facing a more than \$3 billion budget deficit in the next fiscal year.

Proponents of the Council have pointed to the successes of California when touting this proposal. But let's look at the reality of how this Council has affected that state's budget. It costs the state about \$5 billion to cover the wages and health care benefits for this workforce. In California, wages for workers vary from county to county. The state pledges to pay for wages and benefits up to \$12.10 per hour, and the county is responsible for any wages and benefits over and above that

threshold. Only three counties pay above that threshold. Twenty percent of the counties in California pay the minimum amount of \$8.00 per hour.

How does that compare to Pennsylvania? According to a recent report of the Paraprofessional Institute (PHI) on wages for personal and homecare workers, as of 2006 the median wage for a personal care worker in Pennsylvania is \$9.29 per hour, while the average hourly wage in CA is \$9.54. Now, the Governor of California is looking at several proposals to reduce the number of service hours for consumers, reduce the state's participation in covering wages and benefits down to \$10 per hour and is examining ways to lower wages to minimum wage for "close relative" providers to help overcome their current budget deficit. Fortunately, in Pennsylvania we do not have to take these types of drastic measures because we have maintained a flexible system without the inflexibility of a statewide contract.

The expected cost savings of this proposal are based on the success of rebalancing, but it also implies that the state has not been working on rebalancing the long term living system. Nothing could be further from the truth. Over the last several years Pennsylvania has made significant progress in its rebalancing efforts, but when analyzing our demographics including our increasing aging population, particularly for those over the age of 85, there is not a capacity to close nursing home beds, as has been suggested, to cover these costs. The state has a lot more work to do to fully rebalance our long term living system, but the Consumer

Workforce Council will not be the “solution” to achieve rebalancing. Once again, we agree on the need to increase wages, but we remain concerned about the impact the Council will have on long term living services.

For years, state reimbursement for in-home personal care and attendant care has been woefully inadequate; equating to low salaries for workers. However, creating another state bureaucracy, such as the Council is not the answer. A better solution would be for the state to recognize the value of this workforce by annually increasing the reimbursement for home and community-based services, as it has routinely done for other health care providers.

Supporters of the proposed Council have developed a campaign, *My Life, My Choice*, which is based on scare tactics implying that senior citizens and others cannot remain in their own homes as they age without the creation of the proposed Council. Nothing could be further from the truth.

Providing this type of care are 800 existing home health, hospice, and private duty homecare agencies along with 18 fiscal management service organizations. Agencies employ workers, provide training, ensure quality and offer fair wages – commensurate with reimbursements and many offer benefits. Financial management service agencies enable consumers to hire their own caregivers.

Another area of concern is that the council could take away consumer rights by potentially requiring caregivers under the consumer-directed model to become employees of the proposed Council. This would mean friends and family members such as daughters and sons who frequently serve as caregivers – would be “employees for limited purposes” of the Council. This has the potential to further weaken the consumer/employer model and the ability of the consumer to find workers. Today, many workers under the consumer employer model are part-time and only want to work for the consumer that currently employs them. For many, this is not a full-time job but a calling to assist an individual consumer or an opportunity to supplement their income while providing a beneficial and personally rewarding service. Many of these workers have expressed that they would not want to join a statewide registry.

Why not also give direct care workers priority status under the adultBasic health insurance program so they can obtain health insurance coverage?

If we truly are committed to rebalancing the long term living system; providing consumers with choices of who cares for them and where they receive the care; then we must approach this problem not from one perspective but how it impacts the entire service delivery system today and more importantly in the future.

Pennsylvania faces significant challenges in the future to meet the growing demand for long-term living services. Before we build another state-run bureaucracy, we should work together to enhance the current system both for our consumers and for those who care for them.

With me today I have more than 2,500 signatures from individuals across the state that have expressed that there is neither a need nor a desire for a Consumer Workforce Council. In addition, more than 2,000 emails have been sent to members of the General Assembly and the Governor expressing the same concerns – this entity is not necessary.

Thank you for this opportunity to share our Coalition's thoughts on the direct care workforce challenges. The REAL Coalition will continue to advocate on behalf of consumers, direct care workers and providers. We all need to work together – the legislature, the administration and everyone that is part of the long-term care continuum – to strengthen our efforts to find realistic and fiscally responsible ways to elevate the profession of direct care workers. To do this, consumers remain our first priority but their partner – the direct care worker is important too. They provide hands-on care and support that enable consumers to remain as independent as possible. Thank you.