HOUSE DEMOCRATIC POLICY COMMITTEE HEARING

Topic: Personal Assistance Service Providers
Tom Ridge Environmental Center – Erie, PA
October 3, 2016

AGENDA

4:00 p.m. Welcome and Opening Remarks

4:10 p.m. Panel of Providers:

- Carl Berry
  Finance Committee Chair
  Pennsylvania Providers Coalition Association

- Chi Bon
  Social Services Manager
  Helpmates, Inc.

- Deborah Pavlek
  Director
  Family to Family Home Healthcare

5:10 p.m. Shona Eakin
  Executive Director
  Voices for Independence

5:30 p.m. Closing Remarks
Members of the House Democratic Caucus, thank you for this opportunity to speak before you and to encourage you to place funding for home and community based services for Pennsylvania’s aged and people with physical disabilities higher in your list of budget priorities. I am Carl Berry, and I am the finance committee chair of the Pennsylvania Provider Coalition Association, an organization of over sixty providers across Pennsylvania, providing services under the Department of Human Services Office of Long Term Living home and community based services waivers. I am also the director of human resources for Community Resources for Independence, a provider of in-home direct care services, serving 48 counties, headquartered here in Erie. I am also the father of two children with hidden but serious disabilities.

The governor’s proposed state budget for 2016-2017 frequently spoke of programs that work and the efficient use of tax revenues. We were very pleased at that time to see that one of the initiatives of the governor’s proposed budget was to promote community living for Pennsylvania’s aging population and people with disabilities. HCBS services cost one-half to one-third that of nursing home placement, and many people prefer to age in place, in their own homes. And we were very pleased that, as you know, the budget that was approved and passed included increases to the Home and Community-Based Services, the Services to Persons with Disabilities line item, and the Attendant Care line item. These increases are designated to increase the number of people receiving support services in the community, and is proof-positive of the legislature’s commitment and the governor’s commitment to home and community based services.

However, although the proposed budget designates additional funding for services to additional people, this budget year was again silent on increases in the per unit rate for the Aging, Attendant Care, OBRA, Independence, and CommCare Waivers and the Act 150 program. An upwards rate adjustment is critically needed.
There was no HCBS waiver rate increase in the 2016 – 2017 state budget nor in the 2015-2016 state budget. The last HCBS waiver rate increase was 2014 for 2.1%. In 2012, HCBS waivers were reorganized from five regions into four regions, with two of the regions experiencing a decrease in rates of 5% and 8%. The 2012 waiver region reorganization followed a 2010-2011 study by the state’s consultant, Mercer Consulting. Mercer clearly recommended on the front page of the study’s report that the state “appropriately update the applicable fee schedule” as of June 30, 2013, but despite the consultant’s recommendation, no rate readjustment happened in 2013, 2015, or 2016.

Prior to 2012, the last rate adjustment was 2008 for approximately a 1% increase. Rates have not kept up with inflation, significant wage pressures, and unfunded mandates including the Affordable Care Act and program requirements like staff training and mentoring, quality assurance, and compliance. Training, for example, is not billable time, but so very necessary. Travel time, mileage expense reimbursement, shift differentials, and overtime are facts of life in agency model home care, but these are not billable. (Overtime in participant-directed model is funded, why not in agency model?) Costs have outstripped rates, and the supports to people with disabilities and the aged are critically unsustainable.

Pennsylvania’s goal as stated in Governor Wolf’s proposed budget is to drive long-term savings through expanding HCBS care. However, increasing the number of participants on HCBS programs without increasing the per unit rates to sustainable levels leads to the provider network losing money faster, jeopardizing the provider network’s sustainability and thus jeopardizing the very system intended to save Pennsylvania money in the long run.

We are at a tipping point. A recent survey of Pennsylvania Provider Coalition Association direct service providers reveals 100% of respondents having some difficulties in hiring direct care workers due to the current PA Personal Assistance Services rates, with more than 77% of the respondents reporting significant difficulties due to the rate. The effect of low PAS rates is affecting service coordination entities as well: a survey of the Service Coordination Entities shows 77% of SC respondents reporting difficulties finding PAS providers to take on participant’s services.
The inadequate PAS rate is creating an artificial and arbitrary barrier to access to services and a barrier to a participant’s choice of providers. United Disabilities Services, a large PAS provider in central Pennsylvania has ceased providing PAS services due to the inadequate rates leading to staffing issues – including Dauphin County: it seems to be indicative of a problem when Pennsylvania providers can’t afford to provide services in the state’s own capitol. It isn’t only harrisburg, or Pittsburgh, or Philadelphia, or Erie, or any one region in the state: PAS providers throughout the state report they or their local counterparts are unable to accept referrals and/or having to resort to selectively accepting consumers due to the PAS rate not supporting the costs and wages of providing services.

One may argue that as long as at least one other PAS provider is picking up where the other provider left off; however costs for all providers continue to rise and therefore, without a corresponding increase in PAS rates, one could foresee any and all PAS providers reaching the point where costs exceed revenues. It is better to avoid this barrier to access to service with rates that can sustain a robust network of PAS providers.

PAS providers are competing for employees with big-box retailers, convenience stores, nursing homes, and hospitals, and a myriad of other employers. By and large, these other employers can raise their prices to offset increases in costs, including wages and benefits. PAS providers cannot do this. So, there is a drain of direct care workers out of HCBS and into other lines of work in order to find higher wages, benefits, and stable schedules.

The Commonwealth is promoting the Community HealthChoices managed care program as a solution to budgetary constraints. However, Community HealthChoices does not go into effect until maybe July 2017 for the southwest, January 1, 2018 for the southeast, and January 1, 2019 at the earliest for the remainder of the state, a very long time away when each unit of service is currently provided at or near a loss. The Commonwealth’s system of providers is in danger now, and cannot wait for Community HealthChoices to hopefully provide reasonable rates to its contractors.

A better solution, we feel, would be to reinforce and make robust now the long-term sustainability of the HCBS programs through adequate PAS rates.
I am emphasizing the need to appropriately fund the OLTL HCBS waiver programs for people with physical disabilities and the aged so that OLTL can set appropriate rates to providers. The PAS programs for OLTL HCBS waivers and programs are only approximately 75% of the rates for similar direct care services under Office of Developmental Programs, and only half that of the rates for autism direct care services.

We agree that a rate of $20.54 per hour to providers is a good place to start to re-establish the rates, based on Mercer Consulting’s rate study for Pennsylvania, aged to 2016 using the home health care market basket index. However, this rate, in order to remain competitive, should be indexed to the home health care market basket index and adjusted yearly.

Currently, based on data obtained from OLTL, the average annual cost per participant is approximately $30,500. Under a recommendation of $20.54 per hour, the average annual cost per participant would be approximately $33,000. To put this into perspective, the average cost of nursing home placement in Pennsylvania is $108000 (Genworth 2016 Cost of Care Survey). That means for every person who goes to a nursing home because the local PAS provider cannot hire staff to meet the need, then the state pays an additional $75,000 to $78,000 per person per year. Nursing home placement is an entitlement. Worst-case scenario, if there were no HCBS providers, then the state would have an additional three and a half Billion cost (46,000 participants on the OLTL provided figures * $78,000 additional cost). I suspect that the managed care companies will demand that Pennsylvania re-negotiate its per capita rates to recapture that 3 and a half Billion. Remember that managed care organizations historically squeeze provider rates, and OLTL has said they will not be involved in setting provider rates under managed care, so Community HealthChoices will not be a solution to this problem.

We have met with Secretary Dallas of the Department of Human Services; he said he’d like to help us but we had to meet with the appropriations committees. We met with the appropriations committees (Brown and Adolph), who said DHS needs to ask for the funding increase. We met with the Office of Long Term Living, the governor’s budget and policy office, and the governor’s regional representative, asking that they place appropriate funding higher on the list of budget priorities. This issue needs champions to resolve it for Pennsylvania.
We are asking that the legislature place appropriate funding for OLTL’s home and community based services for people with physical disabilities and the aged higher in its list of priorities.

We are asking that the legislature work with the administration to set appropriate budget funding so that we can step back from this tipping point, and keep people in their homes and communities. We are asking that the legislature keep that funding in the final approved budget, this year and through to the final implementation of Community HealthChoices in 2019 or after.

Thank you for your time.
House Democratic Policy Committee Hearing

PERSONAL ASSISTANT SERVICES

CHI BON, BSW, NCG
SOCIAL SERVICES MANGER
HELPMATES, INC
250 WEST MAIN STREET, RIDGEWAY, PA 15853
Hello, my name is Chi Bon and I am the Social Services Manager for Helpmates, a Home Care agency. Our agency was founded in 1987 by our owner’s mother Joy Carlson, who was a Personal Care Aide herself. We provide services in 40 counties and employ approximately 600 personal care aides. I am also here on behalf of the Pennsylvania Homecare Association (PHA), which represents nearly 700 homecare, home health and hospice agencies – including ours – across the commonwealth. The majority of the services we provide are in very rural areas and our aides not only travel great distances each day to meet their consumer’s needs, but face snow storms, unplowed driveways, sidewalks, rough country roads, and floods. I appreciate you giving me the opportunity to talk to you today about the difficulties we and our aides have been facing the last few years.

As Carl mentioned earlier, we have not had an adequate rate increase in many years. The costs of providing accountable, effective, and quality personal assistance services continue to increase, including simple cost of living expenses which have a profoundly negative effect upon our aides. We are not reimbursed for travel time or mileage, yet, it is common for many of our aides to travel 30-45 minutes to service consumers. Despite not being reimbursed we pay the aides travel time. Personal Assistance providers, unlike many of our workforce competitors, are not able to pass along our increased costs to the participants. Other agencies or company’s pass these increases on by increasing the cost of the part they manufacture, raise the price of the meal at the restaurant or increase the goods they sell in the stores. This is having a profoundly negative effect on the caring individuals that choose to be employed caring for dependant, vulnerable persons. It takes a special person to
commit to this field. Not everyone can bathe a stranger, feed a frail elderly person, or dress a disabled individual and accompany them to doctor visits. This workforce MUST be recognized for the exceptional care they are providing and rewarded for continuing to allow care dependant persons to remain living in their own homes, in their own communities.

Most of the consumers we care for do not need round the clock care coverage. Most consumers need someone to help them several hours each day to remain living in their homes and participating in their communities as opposed to an institution. It happens more than you realize that people who should be able to be cared for at home are staying in the more costly alternative of a nursing home simply because we and other providers cannot provide the 6 hours of care they need at home - due to lack of staff. That sounds like so little time, but the impact of not being able to send an aide out 6 hours a day has recently kept a previous consumer of ours (whom we will call Todd) from living in a nursing home. Todd is 50 year old paraplegic who was a victim many years ago of physical assault. It is heartbreaking to hear his Service Coordinator call and tell us that she has had to tell his Mother, who is in her 70’s, that since there isn’t a provider with staff in her area that Todd will have to remain living in the nursing home 20 miles away from his Mother. We at the agency level have worked cooperatively with other Home Care agencies to piece together many service plans to help keep people at home. It used to be that you marketed for referrals, now we are all marketing the employees. We believe in these aides and want to pass rate increases through to the aides. We want them acknowledged for the admirable job they are doing, while saving the state money by providing services in the home versus a nursing home.
It is not uncommon that when we place an ad in the local newspaper looking for aides that we see the skilled nursing facility above our ad offering $5-$6 dollars more an hour. Beside that ad is McDonalds offering starting wages for no experience at the same rate that we can start out an aide who is caring for a vulnerable human being, and I assure you many of these aides DO CARE. I hear everyday, stories of aides taking their own vacuum cleaners to a consumer’s home because the dog hair and dirt is so bad that the consumers vacuum won’t pick up, or taking cleaning supplies because the consumer didn’t have any. A lack of cleaning supplies can create a breeding ground for disease – increasing doctor, ER, and hospital visits. Aides often don’t tell us until after the fact because they aren’t looking for praise. THEY JUST CARE! Many aides do not have the income for reliable transportation, a must especially in rural areas where public transportation is so limited. I mentioned above that it is not uncommon for an aide to travel 30-45 minutes each way to a consumer’s home and travel between 20-30 miles each way. A point to illustrate this is happening right now. We are extremely short staffed in St. Marys PA, the powder metal capitol of the world, therefore much of our workforce competition are these manufacturing companies offering very high wages and taking many of our qualified aides to work for them. We have consumer’s dependant on care in that town and have for weeks now been taking turns driving a very dependable aide that does not drive, to and from work in the neighboring town 10 miles away. The owners are going out at midnight, 7am, all hours taking turns driving our aide so that consumer doesn’t go without her care. Another consumer, who we will call Patricia, to whom we are providing care is also in her early 60’s, bright, alert, and oriented and was in her past, before her cerebral palsy, made it impossible for her to walk, a personal care aide in a hospital. She, without the 8 hours of care at home, would be in a
nursing home and was for several months while her Service Coordinator searched and searched to find her a provider. It is extremely rewarding to see Pat living in her one story ranch, home and thriving with the help of her care aides.

These people are out there and it is real. Several years ago, the owners of our agency started a non-profit foundation, simply to help those working individuals continue to be able to work. We help them to keep working by paying for car repairs, tires, utilities, gas money and much more. Many other agencies, such as Carl’s has shared they have also started similar foundations to help these aides to be able to keep working to support their families while doing a job they love.

As the state moves toward managed long-term services and supports next year, the goal will be to serve more people at home and out of nursing homes to keep costs down. In order to do this, we must have a quality PAS workforce that is paid a livable wage. Current Medicaid reimbursement for homecare agencies ranges from $17.52 to $19.52 per hour depending on the geographic location of the agency. In Erie County, the Medicaid reimbursement rate is $19.48 per hour. Regardless of location, Medicaid reimbursement rates are drastically inadequate and do not cover the actual costs of providing care to people in their homes, which makes it harder to recruit and retain the type of caregivers we want in our homes, caring for our seniors and people with disabilities such as Todd and Pat.
We are here today with Carl, Debbie, Doug, and on behalf of the PHA Home Care providers asking our state legislators for a statewide Medicaid PAS rate of $20.58 per hour. This represents a 10% increase over the current average rate of $18.71 which is still HALF the costs of what Medicaid pays for an individual living in a nursing home. In Fiscal Year 2014-15 Medicaid spent an average of $65,148 per person on nursing home care, but only $27,900 for individuals at home.

In conclusion, caring for our loved ones at home improves their quality of life AND saves the state money. It is a win-win for all. Ensuring that providers are appropriately reimbursed through Medicaid needs to be a top priority for the legislature. On behalf of Helpmates and the Pennsylvania Homecare Association, I want to thank you for the opportunity to come before the committee to talk about this important issue, I will gladly answer any questions that you may have.
Good Afternoon, Representatives, Committee Members, Ladies and Gentlemen, Colleagues,

I thank you for the opportunity to be here today and for your time to consider what we are going to present today. My Name is Deborah Pavlek and I am currently a partner with my daughter of Family to Family Home Healthcare Agency. I would like to give you a brief overview of my company and how we have progressed.

In 2008, I had a serious car accident and when it was all over I received a small settlement. I told my husband that I needed this accident to have meaning and I needed to give back to our community. My daughter was working for a home healthcare agency at the time and there were a lot of things that she disagreed with. With our love for the elderly, in 2010, Family to Family was created. We decided not to buy a franchise but to create our own company from the ground up. We wanted the ability to make our decisions that were best for our clients and we knew there would be franchise rules we would have to follow that we would not agree with so we went independent. We provide both Skilled and Non-skilled services, 7 days a week, 24 hours a day including holidays. We accept Medicare, Medicaid and private pay.

Although we are a small company, over the past 7 years, we have grown to 30 employees and take care of close to 100 clients. In 2014, we opened our first Share Care Home, and our second one in 2016 as an answer to growing needs. These are ranch homes where 3 clients have private bedrooms and share the rest of the home with 24 hour seven day care. We provide all the meals, cleaning and needs of each client. The cost in a share care is less than half the cost of the nursing home per month depending on individual needs.

The reason we are here today is to make you aware of the day to day growing needs for our industry. Employees are our biggest concern. As you well know the industry is having a hard time keeping up with the demands that we are seeing. Competition from fast food and industry make it difficult to keep a higher level of staff. We could grow substantially if we had a wage increase that would permit us to be competitive in the market place. We are stifled because we cannot hire a higher level of caregivers. This will continue to get worse as the Baby Boomers age. We employ CNA’s; known as Certified Nurses Aides and this requires a certificate of completion from an accredited school and passing a state exam. The current starting wage is $9.00 an hour and they pay out of pocket for their benefits. They can make $13.00 and up if they go into the nursing home or hospital with benefits. And most must still pay a portion of those benefits. We also employ PCA’s, known as personal care attendants. This position came about to be able to hire at minimum wage an aide capable of doing everything that a CNA can do but pay at a lower rate. PCA’s receive training by the company employing them and pay out of pocket for benefits. We start them at the same wage as a CNA to stay competitive. A single mother with one, two or three children cannot survive on this wage.

Our cry today is for our employees. The ladies that work for us do this because of what is in their “heart”, not in their pockets. The problem is that they can’t make a good living or get ahead. Governor Wolf has a task force for women’s concerns, wage increase and he also wants to unionize the industry. I am concerned with the issues that face these women. Of our current 30 employees, 5 are professional, 11 are married and 14 are single moms. We have in the past hired men, but at this wage they do not last. As president of the company over the past 7 years I have not taken a salary or have taken a reduced salary and starting in January, I will be going to 50% of my current salary. My daughter, who is the Administrator, Director and Nurse, has had the same salary for the 7 years. We do this to be able to give what we can to our employees. We start all of our aides at $9.00 an hour with our highest paid at $11.00. Today, 1 employee has been with us for the 7 years, 12 employees over 2 years and 11 under 1 year. Currently we work around 5 schedules so
that the girls can continue their education. We recently had one leave to go to a factory, starting at $13.00 an hour. One dropped from full time to part time to take a bus driving job (to get benefits and higher pay) but continues to see her clients in between her runs. One left to go to McDonalds starting at $9.35 an hour with an increase to $10.00 an hour in 6 months. Two went back to the nursing home for more money, with one coming back after 2 months. And currently we have one on maternity with twins. She also has a 7 year old that her grandmother helped her out with when needed. She is a "great" aide and was working Monday through Friday with a young man in his early 60's with an in-operable brain tumor. He trusts and loves her and has become very attached. She wants to come back. She likes what she does and finds value there. The problem is we can't pay her enough for her growing family to survive. I want to tell her to go on the system where she can get help. Everything would be paid for and so much easier for her. **Is this the answer?**

Currently 9 ladies are covered under their husband or another job for insurance. So these ladies count on their husband and have his wage as an income or they are working 2 jobs. Three young ladies are still under their parent's coverage. And the rest have no coverage. Because they are trying to make a living, they make enough to not qualify for **Free health care.** They fall into the GAP. They would rather pay the penalty at the end than to pay the $100 or so a month and bank that they will not need healthcare in the coming year. Their children are covered but they are not. We currently pay for their clearances at $46.00 and CPR training at $25.00 and only ask them to pay for the Child clearance at $10.00. They do not have the money to pay upfront and we would not be able to get them started if we waited for them to get the money. This is why unionizing this industry is not in their best interest as they need every penny that they make. They literally live paycheck to paycheck. We recently had a mother of 3 take in her brother's son after a death. He came with no clothes, so we helped her through that situation. Then she was bit by a spider that got infected and turned into MERSA that resulted in her being off work for over two weeks. We helped her get through this by advancing her pay and getting her help. This is a class of workers that do not have an extra $10 at the end of the month to pay union dues. Having to pay union dues will not help them. Having that money in their pay check would.

The Governor wants to increase the minimum wage. If he raises it without giving us a substantial increase we will be forced to close our doors. Not just the small companies, but big ones as well, leaving thousands of clients without the care that they need. The trend is to stay in your home for as long as you can. Nursing homes are great if you need that level of care. But we can provide better care at home for less money than nursing homes. Some only need an hour a day to get started and are good for the day. Baby Boomers have started to reach out to our industry as they age and they want to stay in their home. Help us be able to continue to provide an environment that is healthier for the client and costs less.

In summary, I and we do not ask for this rate increase for us. I ask for the 30 Ladies that work for me. These employees come to work and do something that most people can't and do not want to do. The job of a caregiver is not easy at times and spans the gamut of changing adult diapers, to bathing, to feeding and listening to the same stories over and over again. **And they do it daily with a love and a compassion for people that can't do it for themselves.** Help me help them! Give me a wage increase that I can pass on to them. You control what I get! I can't pass on what I don't have.

I thank you for your time and consideration of this critical matter.

**Deborah Pavlek**
900 Water Street
Meadville, PA 16335
814-807-0409
debpavlek@gmail.com