To understand why direct care workers matter to long-term care and state economies

To propose a holistic policy framework that strengthens the direct care workforce

How should we properly finance and cost out a healthy long-term care system reliant on workers?

Purpose: A Healthier System, a Stronger Workforce
About PHI

The Direct Care Workforce and State-Based LTSS Social Insurance Programs  •  October 2019
Who We Are: Our Approach

**Key Audiences**
Practitioners  
Policymakers  
Researchers  
Advocates

**Workforce Interventions & Consulting**
Training, advanced roles, recruitment and retention

**Policy Research**
Research & policy analysis

**Advocacy**
Federal, state & local & public education

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Key Audiences
Practitioners
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360° Perspective
25+ years
New York City
National

WORKFORCE INTERVENTIONS & CONSULTING
Training, advanced roles, recruitment and retention

POLICY RESEARCH
Research & policy analysis

ADVOCACY
Federal, state & local & public education

ORIGINAL RESEARCH
Facts & trends, objective information

PROVIDER ‘LEARNING LAB’
In-the-field interventions, rural & urban

NEW YORK CITY SYSTEM
Learn from thousands of workers & consumers

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We believe that caring, committed relationships between direct care workers and their clients are at the heart of quality care. Those relationships work best when direct care workers receive high-quality training, living wages, and respect for the central role they play.
The Direct Care Workforce
About the Direct Care Workforce

- 4.5 million home care workers and nursing assistants
- 7.8 million job openings in direct care by 2026
- Largest-growing job occupation in the country
An Increasingly **Diverse** Home Care Workforce (U.S. figures)

The typical home care worker is a woman in her 40s—many are immigrants and/or women of color. **The demographics are changing.**

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
<th>1 million IMMIGRANTS</th>
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</thead>
<tbody>
<tr>
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<td>WOMEN</td>
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<tr>
<td>31%</td>
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<td>PEOPLE OF COLOR</td>
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<tr>
<td>46 MEDIAN AGE</td>
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</tbody>
</table>

Inadequate Public Funding & Reimbursement

The LTSS system needs more funding to ensure everyone can access the supports they need—labor costs are especially underfunded.

- **Long-Term Services & Supports**
  Expensive, difficult to predict, exhausts savings

- **Medicaid only for poor & low-income people**
  and restrictions are growing

- **State Medicaid budgets are strapped**
  little funding for labor costs

- **Inadequate reimbursement rates in Medicaid**

Recruitment & Retention Challenges

LTSS employers are increasingly struggling to find and keep direct care workers, especially in an economy where they have other job options.

60% TURNOVER RATE
Top reasons: wages & supervisors

Job growth & competition—retail & fast food increasingly offer better jobs than direct care

Widening ‘care gap’—the growth in older adults is outpacing working-age women

SOURCE: PHI (2018). For detailed citations and information about PHI’s research methodology, please contact info@phinational.org.
State-Based LTSS Social Insurance Programs
Workforce Matters
The Direct Care Workforce and State-Based LTSS Social Insurance Programs
How Do We Strengthen the Direct Care Workforce?

1. Increase compensation for direct care workers by establishing a wage floor for this sector—with benefit and financial security safeguards
2. Enhance training requirements and strengthen the in-person and online training infrastructure for direct care workers
3. Develop advanced roles for direct care workers that allow them to progress in their careers and offer a higher level of support
4. Institute supervision training programs and requirements to successfully develop direct care supervisors
5. Establish an innovation fund and state-level advocate to improve recruitment and retention among the direct care workforce
6. Build a robust data collection system and produce new research to analyze the direct care workforce at the state and local levels
7. Create a long-term, state-sanctioned workgroup and leadership program to strengthen the contributions of direct care workers
8. Launch demonstration projects and a policy workgroup to maximize the relationship between family caregivers and home care workers
9. Construct a matching service registry that connects home care consumers and workers within the state
Low Wages, High Poverty: Home Care Workers

Low wages and irregular schedules make it difficult to retain and recruit workers in this sector. As a result, turnover remains high.

- Increase wages for direct care workers
- Account for "benefit cliffs" and "benefit plateaus"
- Offer financial literacy and counseling programs


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Limited Training or Career Advancement

The training infrastructure for direct care workers doesn't equip them with the skills, knowledge, confidence, or career paths they need.

- Standardize training for direct care workers
- Strengthen training quality
- Support & disseminate effective e-learning models
- Implement advanced roles
Recruitment & Retention Challenges

LTSS employers are increasingly struggling to find and keep direct care workers, especially in an economy where they have other job options.

- Commission a statewide study on recruitment and retention
- Form a recruitment and retention innovation fund
- Establish a state-level direct care advocate
States rarely collect proper data on the LTSS workforce, which prevents leaders from targeting high-need areas with appropriate interventions.

- Establish the infrastructure to systematically collect data on the direct care workforce
- Centralize training and certification records of direct care workers
- Fund original studies on the direct care workforce
The Centrality of Direct Care Workers to LTSS

- Quality care depends on quality jobs
- Quality jobs might create cost effectiveness
- Programs = Affordability and access
- How do we finance a workforce-centered system?
PHInational.org

Quality Care Through Quality Jobs

We believe that caring, committed relationships between direct care workers and their clients are at the heart of quality care.

These relationships work best when direct care workers receive high-quality training, living wages, and respect for the essential role they play.
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