



Ohio Association of Area Agencies on Aging
Advocacy. Action. Answers on Aging.

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Senator Dave Burke
Ohio Senate Medicaid Committee
Statehouse
Columbus OH 43215

RE: HB 64 – Interested Party Written Testimony – Home Care and Personal Care Aide Rates

Dear Senator Burke:

I am writing on behalf of the Ohio Association of Area Agencies on Aging to offer interested party written testimony on HB 64, the biennial budget bill, specifically regarding the need for rate increases for direct care workers (aka home care aides or personal care aides) in Ohio's home and community based services (HCBS) programs. We urge the committee to support the 10% rate increase for home care aides for HCBS programs that is in the House version of HB 64, and we ask that you extend that rate increase across all waiver programs and home care workers.

The Area Agencies on Aging have administered the PASSPORT Medicaid-funded waiver program for over 25 years. Currently, eight of the Area Agencies on Aging also administer the Ohio Home Care waiver, which provides HCBS for persons with disabilities who are under 60 years of age.

Home care aide jobs are growing at more than 5 times the rate of jobs overall in Ohio. Nevertheless, there is a shortage of home care aides that will only continue to grow as our population ages. In-home care is less expensive than institutional care, but workers earn low wages, get few benefits and have high turnover. In its recent needs assessment, for example, the Area Office on Aging of Northwestern Ohio noted a lack of availability of home health care aides generally, and a greater need in the rural areas, especially Ottawa County. Additionally, the Buckeye Hills Area Agency on Aging in Marietta found that for each home care worker lost, the replacement cost for providers was \$3,500 per employee; the total replacement cost among their providers was \$1.2 million a year.

Wages and benefits paid to home care workers play a fundamental role in determining the quality and quantity of workers. The median wage for home care aides in Ohio is 40% less than all Ohio workers. Most aides make between \$8.00 - \$10.00 per hour. Forty-four percent of home care aides in Ohio rely on public assistance, including Medicaid. Wages are so low these jobs compete with fast food jobs for workers. Wages actually decreased from 2003-2013 for personal care aides, home health aides, and nursing assistants. Aides also use their own vehicles, pay for their own gas, and generally do not get to stay on the clock between clients.

We are deeply concerned about the shortage of direct care workers and providers to provide services to seniors and persons with disabilities. This shortage will only get worse unless the state takes action. Reimbursement rates and direct care worker wages are critical to ensuring access to quality home and community based services for seniors and persons with disabilities.

We recognize the need to address fraud and abuse with effective measures in the home care industry as in any other industry. We also recognize that inadequate rates and wages may be one driving force behind the temptation to dishonestly report hours worked. While supporting efforts to address dishonest practices and to effectively improve quality of care, we support providing a livable wage to those workers who are in the homes of individuals needing critical routine care.

PASSPORT rates have not kept up with the cost of doing business and providers are going out of business or not taking business from Medicaid for aging services.

These are two of many letters our Area Agencies on Aging are receiving from providers about the inability to continue their business under the current PASSPORT rates:

Currently we are on hold for any new clients and do not have any PASSPORT clients that we are serving. After much analysis we have determined that we cannot continue to provide services through the PASSPORT program. The rate we are paying our caregivers has increased significantly over the past year in order to hire and retain quality individuals. Our other business costs have continued to increase[T]he cost of doing business has surpassed the increases in reimbursement.

- Home Care Provider

Due to continued budget deficits, we have decided to close our Home Health/PASSPORT program effective May 4, 2015. After considerable efforts to remain open, we are unable to do so due to the low PASSPORT reimbursement rates.

*- Community Action Committee of
Pike County*

In conclusion, we support the 10% rate increase for home health aides which is part of the House version of HB 64 and ask that you retain it in the Senate. Additionally, all direct care workers providing HCBS should be able to earn wages that bring them out of poverty. Without quality direct care workers, we do a great disservice to our seniors and persons with disabilities to enable them to live independently, with dignity, their homes and communities.

Thank you for the opportunity to offer written testimony regarding HB 64. Thanks to you and the Committee for your continued support of older Ohioans and persons with disabilities.

Sincerely,



Larke Recchie
CEO