



Testimony
House Republican Policy Committee
Hearing on Workforce Shortages Facing Home Care in the Commonwealth
Katie Dotto, Esq., Director of Government Relations
Pennsylvania Homecare Association
December 1, 2021

On behalf of the Pennsylvania Homecare Association (PHA), thank you Chairman Causer and Representative Mehaffie for convening this hearing and allowing PHA to share information on the many challenges the home-based care industry faces when it comes to recruiting and retaining qualified caregivers. PHA is a statewide membership association, with approximately 700 members that provide nursing, therapy, non-medical personal assistance services (PAS), and end-of-life care in hundreds of thousands of individual's homes across the Commonwealth. Our members experienced workforce challenges long before COVID-19, but they now report that the crisis is unlike anything they have ever seen or experienced before.

The Direct Care Workforce

Pennsylvania is among the oldest states in the nation and is rapidly aging, with the over-85 population growing at more than 10 times the general population. By 2030, nearly one quarter of Pennsylvanians will be 65 and older. This will occur at the same time the first wave of baby boomers turns 85. Seniors and other Pennsylvanians in need of care have made it clear that they prefer to receive services at home as they age. In-home care is not only more cost-effective (at half the cost of nursing home care); it is safer, produces better health outcomes, and allows seniors and others to age in the communities among family and friends. From March 2020 to June 2021, demand for in-home long-term care provided under Pennsylvania's Community HealthChoices Medicaid program increased by nearly 20%, while demand and usage of institutional settings declined by the same number.¹

In 2019, it was projected that Pennsylvania would need more than 37,000 more DCWs to provide personal assistance services by 2026.² An October 2021, Mercer report analyzing the healthcare labor market now projects that Pennsylvania will experience a shortage of more than 277,000 of lower wage health care occupations (medical assistants, home health aides, and nursing assistants) over the next five years.³ The only states in the country with higher deficits are California and New York. We are at a crisis.

The 2019 Home Care Benchmarking Study conducted by Homecare Pulse, LLC showed that in 2019 (prior to the COVID-19 pandemic) median caregiver turnover rates in PA were 64.3%.⁴ Over

¹ OLTL Data Dash ([June 2020](#)) 4. OLTL Data Dash ([March 2021](#)) 4.

² Pennsylvania Long Term Care Council, [Blueprint for Strengthening Pennsylvania's Direct Care Workforce](#) (April 2019) 5.

³ Mercer, [2021 External Healthcare Labor Market Analysis](#), (October 2021) 4.

⁴ Homecare Pulse, LLC, [2020 Home Care Benchmarking Study](#) (2020) 26.

the course of the last twenty months, PAS agencies and Managed Care Organizations (MCOs) have reported increasing recruitment and retention challenges, leading to an increased inability to staff cases, the ripple effects of which are detrimental to the health and wellbeing of Pennsylvania's aging and disabled populations.

A significant hurdle in the recruitment and retention of direct care workers (also referred to as homecare aides, personal care aides, home health aides or attendants) is the low hourly wage that Medicaid-enrolled PAS providers are able to provide. The median wage of a DCW in Pennsylvania is \$12.40/hour.⁵ For those providing services through a Medicaid-enrolled PAS provider, it is lower. Prior to the pandemic, PAS agencies competed with private industries for workers paying \$15+/hour. Since the pandemic, PAS providers have struggled to compete with enhanced unemployment and private industry wages of \$20/hour and more, as well as providers in neighboring states like Delaware, New Jersey and Ohio, which offer significantly higher reimbursements rates than Pennsylvania. Medicaid-enrolled PAS providers are simply not able to attract the necessary workers to fill the demand, and nearly 100% of our membership is reporting that they are turning away cases – people who are in critical need of long-term supports and services.

I would also note that during the pandemic, home-based caregivers were not prioritized for personal protective equipment (PPE). Already operating on razor-thin margins, home care providers experienced price gouging on items that they had never before had to purchase. PPE, testing, overtime, and vaccine-related expenses continue, making it even more challenging to continue to provide quality care and retain the necessary workforce.

Recently, we have heard from members that homecare workforce shortages are impacting retention of office staff. Agency schedulers are now in the unenviable position of having to decide who gets care on a given day, as they are forced to “ration” care. There simply are not enough DCWs to cover all of the authorized hours. The stress of choosing one consumer over another consumer has resulted in schedulers leaving agencies at an alarming rate. The situation is untenable. If PAS providers were given the necessary resources through an appropriately-funded Medicaid program, it would give them the opportunity to provide competitive wages. It would give them the opportunity to make sure our most vulnerable individuals, our elderly and disabled, are able to receive quality care in their own homes, at significant cost-savings to the state.

⁵ Bureau of Labor Statistics, [Employment of home health and personal care aides, by state](#) (May 2020).

Private Duty Nursing

Another service line offered under the state's Medicaid program is private duty shift nursing. These nurses are in the homes of our elderly and medically fragile children, providing medical services to keep them safe and out of hospital settings. Home health agencies also face a nursing shortage. Under the current Medicaid reimbursement rates for shift nursing, providers are unable to offer competitive wages and benefits in order to attract and maintain a sufficient number of LPNs and RNs.

Unlike some of their facility-based counterparts, home health agencies providing Medicaid-paid services are not able to offer competitive salaries, sign-on bonuses and loan forgiveness opportunities that larger health systems can afford. Without the proper funding for these programs, we are losing valuable talent to other health care settings where nurses can essentially name their price.

Conclusion

Home health and homecare providers have faced significant challenges over the course of the pandemic. Home-based care requires one-on-one services. While PHA acknowledges workforce shortages across all industries, our providers are not in a position where they can continue to do more with less. Our agencies are at a breaking point and are in desperate need of your support and additional resources in order for them to continue to serve your constituents, keeping them safe at home, where they want to be and where they belong.

Thank you for your time today and for convening this hearing on the critical issue of health care workforce shortages. I am happy to answer any questions, and PHA looks forward to our continued partnership with the legislature as we strive to improve the care that so many Pennsylvanians rely on as a life line.