

FOOTING THE HOME CARE BILL

IF ANYTHING IS EMBLEMATIC of the dramatic shift in health care employment, it is the burgeoning ranks of home health aides, the low-paid, low-skilled, often immigrant front-line workers who push the wheelchairs, cook the meals and help the elderly negotiate life's daily obstacles.

Home care workers are becoming **key players in efforts to overhaul the health care cost equation**. It is often their work that keeps patients in their homes and out of high-cost hospital and nursing homes.

"It's still deemed to be the least expensive setting and is still more cost-efficient," says Robert Livonius, chief executive of Medfinders, a national health care staffing company.

Be that as it may, the budget for such services is under intense pressure. In the budget he proposed earlier this year, Gov. David Paterson targeted total state and federal cuts of \$147 million to home care spending. That comes on the heels of **\$300 million in cuts** since April 2008.

Not surprisingly, the Home Care Association of New York State warns that providers will have to cut services or staff, or face the fate of 12 home care agencies that have closed or merged in the past seven years.

The cuts come at a time when costs are soaring as chronically low-paid workers organize and demand more with the help of the powerful health care union, 1199 SEIU. In 2002, the union won a key victory with the city's living wage law, which **raised hourly pay for home care workers** in agencies that have Medicaid contracts with the city.

Those workers, roughly half of the home care workers in the city, now make \$10 an hour plus \$2.50 in health, pension and education contributions, compared with an average of \$7.50 for workers not covered by the law, according to 1199.

The union wants to expand living wage laws to more workers, but making headway will be a heavy lift.

Opposition to wage hikes is likely to come from home care agencies that say years of budget cuts and Medicaid rate freezes have left them with operating losses that **threaten their survival**, not to mention their ability to continue to create jobs.

"If agencies are going to lose money on every hour of care they deliver, they're going to drop out of programs," says Phyllis Wang, president of the New York State Association of Health Care Providers, an advocacy group for home care agencies.

