

POLICY POSITION  
PENNSYLVANIA ASSOCIATION OF AREA  
AGENCIES ON AGING, INC.

## **Direct Care Workforce Issues**

(Final, Ratified 10/27/09)

### **BACKGROUND NARRATIVE**

The direct care workforce is a critical component of Pennsylvania's long term living system. Currently, there are two major challenges related to this workforce:

1. Maintenance of an adequate supply of properly trained direct care workers who provide a consistently high quality of care.
2. Establishment of adequate compensation packages to ensure equity for direct service workers and a reasonable degree of continuity of care.

In most areas of the state, the Pennsylvania Aging Network has not yet experienced a severe shortage of direct care workers to meet the needs of our consumers or to keep residents of nursing facilities from returning to the community. However, in the face of increased demand for workers resulting from increasing numbers of older people living longer lives, the rebalancing of the Commonwealth's long term living system, as well as increased employment alternatives that will result from the anticipated revival of the economy, labor supply is an issue that must be carefully addressed.

Equitable compensation of direct care workers is also a major concern. Aside from its obvious impact on labor supply, direct care workers are a highly valued part of our service delivery system, and they deserve to receive appropriate wages and benefits and access to challenging and rewarding career paths. Especially, in the Aging Network, where most services have been historically procured on a competitive basis based heavily on price; direct care workers have often borne the brunt of market factors.

In response to these concerns, a coalition of consumers of service, direct care workers and advocates has proposed the creation of a Consumer Workforce Council (CWC), through which a council of consumers would be established to adjudicate requests from direct care workers for enhanced compensation packages. It is not clear how the proposed CWC would fund these enhancements without reducing services. It has been proposed that the CWC be

implemented administratively by the Rendell Administration rather than being established through an act of the General Assembly.

## **PROBLEM STATEMENT**

The Commonwealth's model for managing its long term living workforce is disjointed, ineffective and inequitable. A new business model is needed.

## **GOAL**

The goal is the establishment of a coordinated, effective, efficient and equitable business model for managing and compensating the long term living workforce.

## **THE POSITION**

1. A workforce-based rate setting system should be implemented that builds rates based on fair wages and benefit packages for direct care workers and equitable reimbursement for expenses incurred by provider agencies. P4A believes in a process which is fully transparent and provides numerous opportunities for comment and input by various stakeholders, including consumers, direct care workers, provider agencies and program administrators in a systematic fashion.
2. State Lottery revenues and balances should be carefully examined to determine if additional funds may be appropriated to fund services procured under the new rate setting system. Many of our members have lengthy Waiting Lists for services. While we completely support improvements in wages and benefits for direct care workers, we are concerned that any increase in costs will result in increased Waiting Lists for our consumers if additional funding is not identified.
3. P4A supports increasing the voice of the consumer/employer. We believe in consumer choice at every level and oppose any model that weakens the ability of the consumer to choose, whether it be a worker or provider agency.
4. We support the consumer/employer model currently in place in PA and oppose any efforts to weaken its structure
5. P4A does not believe that the CWC is the mechanism that will achieve our desired goals of improved wages and benefits for all direct care workers (both agency and consumer-employed) and therefore we do not support the Consumer Workforce Council.
6. We believe that the fate of the proposed CWC should be determined legislatively rather than by the executive branch.

7. We are opposed to efforts to lobby our consumers whether to gain support for, or to oppose, the CWC.

## **CONCLUSION**

A new business model is needed for the management and compensation of the direct care workforce in Pennsylvania's long term living system. A workforce-based rate setting system will be an essential component to the new business model. The proposed CWC is not the answer.

*P4A*

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