The Primary Function of DSHS is to Contract for Services on Behalf of Clients Eligible for its Services

Percent of 2003-05 DSHS
Total Fund Maintenance Level Budget

- All Other: 5%
- Grants to Clients: 12%
- Salaries and Benefits for State Staff: 14%
- Payments to Service Providers: 69%
DSHS Service Providers Include:

- Local Government
- Social Service Agencies
- Corporations and Small Businesses
- Individuals including:
  - Individual Home Care Workers
  - Child Care Providers
  - Foster Parents
Many of these Providers Have Workers Making Under $10 per hour.

- Assisted Living Personal Care Aides
- Adult Family Home Personal Care Aides
- Agency Home Care Aides
- Child Care Providers
- DD Group Homes and Alternative Living Workers
- Adult Family Home Personal Care Aides
- DD Family Support and Attendant Care Workers
- Assisted Living Personal Care Aides
- Agency Home Care Workers
- Individual Home Care Workers
- Child Care Providers

DSHS Budget Office: Data collected by ADSA to implement 2001 Low Wage Enhancement.
The Individual Provider Home Care Program is a Very Important Service for Aging & Adult Services...

Percent of Aging and Adult Services clients served in each care setting. (FY2002)

- Adult Residential Care: 3%
- Assisted Living: 8%
- Adult Family Homes: 7%
- Nursing Homes: 29%
- Agency Services: 20%
- Individual Provider Services: 33%

Based on a Fiscal Year 2002 caseload of 45,215.
…and the Developmental Disability Program

Percent of Developmental Disabilities clients served in each care setting. (FY2002)

- In-Home: Personal Care, Agency Providers: 3%
- In-Home: Personal Care, Individual Providers: 38%
- In-Home: Other Supports: 27%
- Personal Care in Residential Settings: 7%
- DD Contracted Residential Care & SOLAs: 20%
- RHCs & ICF/MRs: 5%

Based on a Fiscal Year 2002 caseload of 21,004.
Some Background on the Individual Home Care Worker

- The clients are both aged and younger disabled people.
- The workers may be the only care-giver, live with the client, and/or help support the client when the family is not around.
- The wages and benefits are:
  - $7.68 per hour; social security and unemployment insurance.
  - Health benefits available for a $10 per month co-premium if family income is below 200% of the federal poverty level.
- Most of the care givers in the individual provider program are relatives of the consumer.
Why Does DSHS Pay Relatives?

• The availability of informal care has fallen dramatically as more households have all adults in the labor force.

• At the same time, changes in life expectancy and health care advances have greatly increased the number of people in need of care.

• In-home care provided by individual providers is much less expensive and easier to arrange than other forms of care.
Employer/Employee Relations Can Have Many Elements

EMPLOYER

- Collective Bargaining
- Wages
- Unemployment Insurance
- Social Security
- Workers Compensation
- Health Care Benefits
- Overtime
- Travel Time
- Pension benefits
- Working Conditions
- Hire/Fire

EMPLOYEE
Home Care Workers Prior to 1991 had two “employers” but a simple financial relationship

**EMPLOYER**

DSHS

Wages
Unemployment Insurance
Social Security
**Workers Compensation**
Health Care Benefits
Overtime
Travel Time
Pension benefits
Working Conditions
Collective Bargaining

**EMPLOYEE**

CLIENT

Hire/Fire
In 1991, the Internal Revenue Service Required DSHS to Cover Home Care Workers for Social Security and Unemployment Insurance.
In 2002, I-775 added a Third “Employer,” the Home Care Quality Authority (HCQA), and a Proposal for Additional Employee Benefits

**EMPLOYER**

HCQA

DSHS

CLIENT

**Collective Bargaining**
- Wages
- Unemployment Insurance
- Social Security
  - Worker’s Compensation
- Health Care Benefits
  - Overtime
  - Travel Time
  - Pension benefits
  - Working Conditions
  - Hire/Fire

**EMPLOYEE**
Home Care Workers - The Future?

**EMPLOYER**

- HCQA
- DSHS

**EMPLOYEE**

- Collective Bargaining
- Wages
- Unemployment Insurance
- Social Security
- Workers Compensation
- Health Care Benefits

**CLIENT**

- Hire/Fire
Home Care Workers - The Future?

**EMPLOYER**

- HCQA
- DSHS
- ???

**EMPLOYEE**

- Collective Bargaining
- Wages
- Unemployment Insurance
- Social Security
- Workers Compensation
- Health Care Benefits
- Overtime
- Travel Time
- Pension benefits
- Other Working Conditions
- Hire/Fire

**CLIENT**

- ???

- ???
I-775 and an Overview of Collective Bargaining

• The Health Care Quality Authority is the employer solely for bargaining purposes.

• Labor relations are governed by the Public Employment Relations Commission (PERC).
  - Statewide bargaining unit.
  - Mediation and interest arbitration.
  - No right to strike.
I-775 and an Overview of Collective Bargaining

Funding the Collective Bargaining Agreement:

- Governor must transmit funding request to the Legislature.
- Funding request must be accepted or rejected as a whole.
- If rejected, the Agreement is reopened for funding issues only.
Differences Between I-775 and State Employee Collective Bargaining

I-775 does not include these elements:

• Agreement must be certified by OFM as financially feasible.

• Funding must be included in balanced budget submitted by the Governor.

• Agreement re-opened for revenue shortfall.
Economic Elements of the Collective Bargaining Agreement

- Cost of agreement* –
  - 2003-05 Biennium $97.9 Million GF-S, $193.3 Million Total.
  - 2005-07 Biennium $146.6 Million GF-S, $288.1 Million Total.
- Wages increase from $7.68 per hour to $8.70 per hour in FY 2004 and to $9.75 per hour in FY 2005.
- Employee Health Care Benefits for workers over 200% of the federal poverty level who are not otherwise eligible for benefits. An estimate 8000 workers are expected to qualify and seek coverage.
- Worker’s Compensation benefits from the Department of Labor and Industries.
- Union membership required.

* Based on partial fiscal note
Potential Costs Not Included in the Agreement:

- Administrative costs for worker compensation benefits.
- DSHS costs to implement a payroll system.
- Potential wage increases for comparable employees and vendors.