

---

# **Home Care Worker Collective Bargaining Agreement**

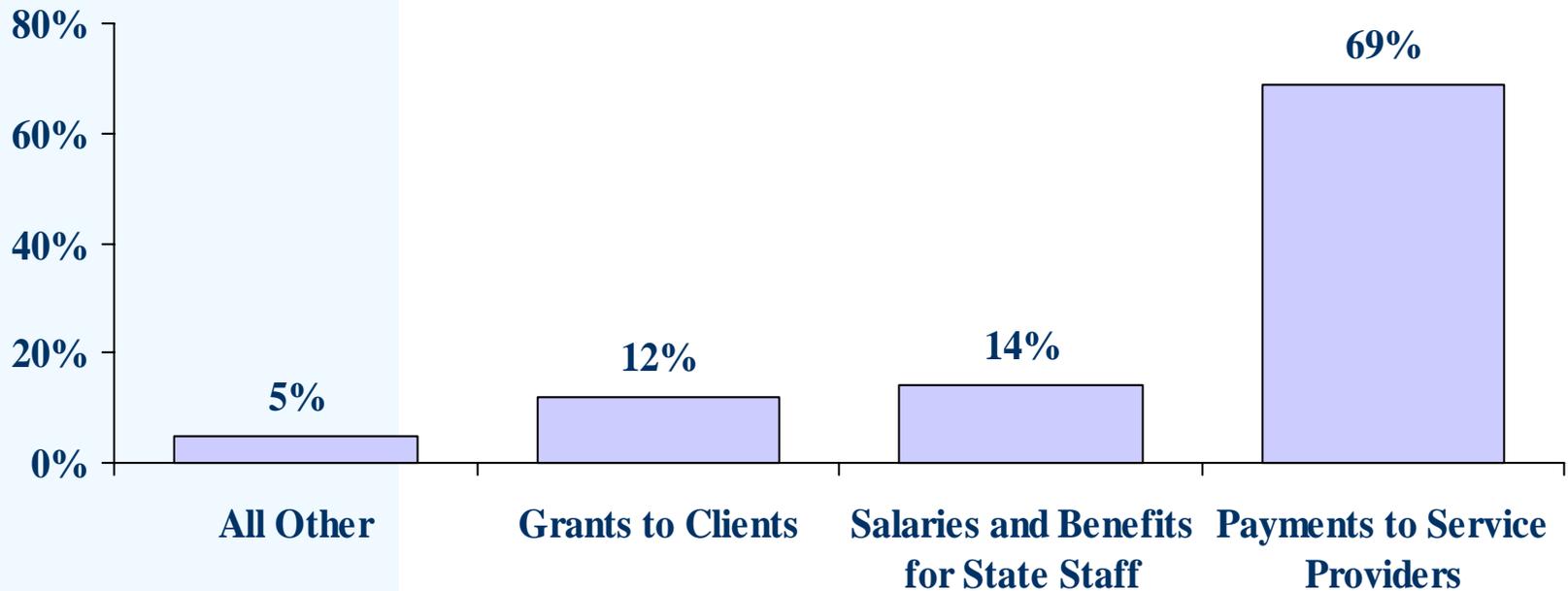
Senate Ways and Means Committee

March 20, 2003

# 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



# 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.

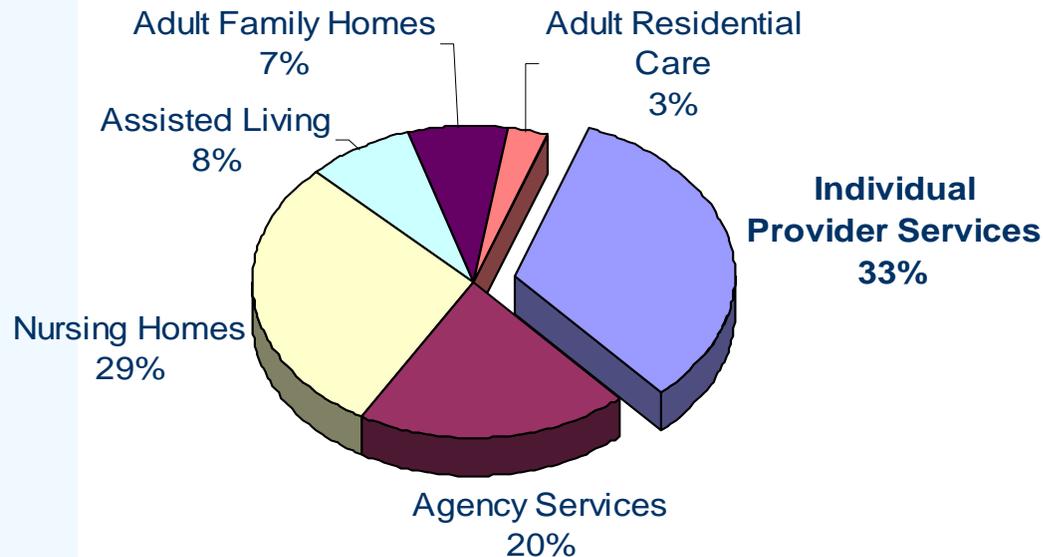
---

- 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

# The Individual Provider Home Care Program is a Very Important Service for Aging & Adult Services...

---

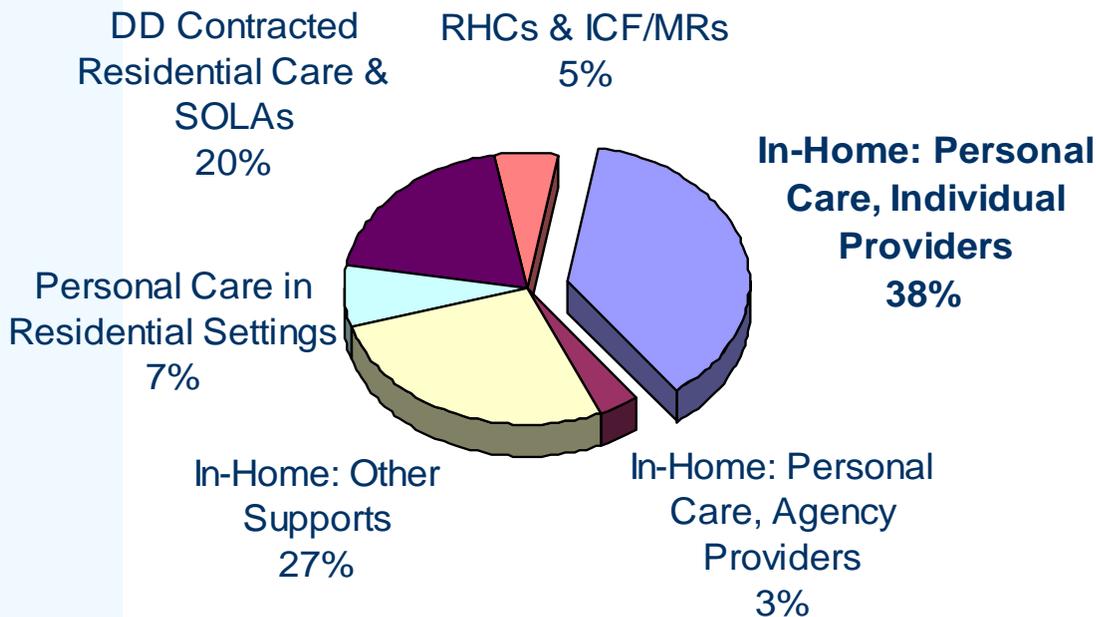
Percent of Aging and Adult Services clients served in each care setting. (FY2002)



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)



Based on an 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

---

## EMPLOYER

DSHS →

Wages

Unemployment Insurance

Social Security

Collective Bargaining

Workers Compensation

Health Care Benefits

Overtime

Travel Time

Pension benefits

Working Conditions

EMPLOYEE

CLIENT →

Hire/Fire

# In 2002, I-775 added a Third “Employer,” the Home Care Quality Authority (HCQA), and a Proposal for Additional Employee Benefits

---

## EMPLOYER

HCQA →

Collective Bargaining

DSHS →

Wages

Unemployment Insurance

Social Security

Worker’s Compensation

Health Care Benefits

Overtime

Travel Time

Pension benefits

Working Conditions

CLIENT →

**Hire/Fire**

**EMPLOYEE**

# Home Care Workers - The Future?

---

## EMPLOYER

HCQA →

Collective Bargaining

Wages

Unemployment Insurance

DSHS →

Social Security

Workers Compensation

Health Care Benefits

CLIENT →

Hire/Fire

**EMPLOYEE**

# Home Care Workers - The Future?

---

## EMPLOYER

HCQA →

Collective Bargaining

Wages

DSHS →

Unemployment Insurance

Social Security

Workers Compensation

Health Care Benefits

???

**Overtime**

**Travel Time**

**Pension benefits**

**Other Working Conditions**

CLIENT →

Hire/Fire

**EMPLOYEE**

???

# 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.