



Service Employees International Union Local 503

72,000 public services workers, care providers, and non-profit employees in Oregon.

TO: Senate Committee on Human Services

RE: Senate Bill 570

ON: March 13, 2023

Dear Chair Gelser-Blouin, Vice-Chair Robinson, members of the committee,

On behalf of SEIU Local 503, OPEU, we write in support of Senate Bill 570. SEIU represents more than 30,000 workers across the home and community-based care system, including the state's homecare and personal support workers. In this letter we will talk about who the workers we represent are, what our vision is for homecare, workforce trends in this sector, what the current challenges are, and how we see this bill as part of the solution.

Who do we represent?

SEIU represents more than 26,000 homecare and personal support workers who work in every corner of our state. Approximately 58%, or 15,000, of those workers are homecare workers who provide care through the Aging and People with Disabilities (APD) consumer/employer program under the Oregon Home Care Commission (OHCC). These workers provide care for older adults and people with disabilities in their homes, giving them the independence to thrive in their community.

These workers:

- Overwhelmingly identify as women – 80% according to a recent survey of our members;
- Are significantly more diverse than Oregon's overall population. One third of our members are people of color, and many are immigrants and refugees;
- Experience disability themselves – nearly 13% according to a recent survey;
- Are older than other caregivers – nearly 1 in 4 are over the age of 55¹; and
- Are often low income – 41% of homecare workers are at 200% of the Federal Poverty Line (FPL) or below, and at least half rely on public or below according to a recent PHI report.

Supporting and investing in this workforce translates directly into supporting families and ensuring their stability, as well as providing them pathways out of poverty and improving their economic security.

What is our vision for homecare?

Homecare workers provide essential, skilled care that allows parents, grandparents and people with disabilities to continue living at home. We envision an Oregon where care work is respected, valued, and that all workers are treated with dignity. We believe in preserving choice for workers and consumers. We believe that by improving the lives of

¹ PHI, Report: "Strengthening and Stabilizing the Direct Care Workforce in Oregon," 2022 (submitted for the record).

workers and their consumers, we will build an Oregon where access to care and support is a top priority.

Workforce Background

As you have heard from SEIU testimony and the PHI report on the record describes, this workforce is mostly women and disproportionately people of color and immigrants. They are likely to be lower income, and many rely on state public assistance such as the Oregon Health Plan or SNAP benefits. At the same time, our union, in partnership with the State, has made significant strides in improving this work since the OHCC was created in 2000. We have increased training requirements and improved the quality of that training. Workers have access to benefits through a state-labor partnership, including healthcare, vision and dental, and paid time off. Wages have increased, leading to reductions in reliance on public assistance.

However, we know that we must do more. There are numerous reports that predict caregiving will be one of the fastest growing occupations between 2020 and 2030, adding nearly 10,000 new jobs in Oregon during that timeframe. Unfortunately, due to high demand and turnover, PHI predicts that Oregon will need to recruit, train, and hire 65,000 caregivers this decade² – something our state infrastructure is unprepared to do. We also know that wages are lagging behind other similar professions, and that we are losing caregivers to other sectors include retail and hospitality and food service due to higher earning potential.

What are the current challenges?

The State of Oregon and our members have invested decades and significant resources in building the OHCC and the consumer-employer program and the infrastructure needed to support workers and consumers. There is a lot to be proud of in our innovative system, including that workers have access to quality benefits like paid time off that works for them, retirement through OregonSaves, and great healthcare through Carewell benefits trust.

Unfortunately, the system does not work well for every worker or consumer, and we have faced significant, persistent challenges with key issues that impact retention and recruitment of workers including:

- Workers lack support. There is no Human Resources department that can provide support or guidance. When workers have issues, they have to turn either to their union or their APD case manager – even if what they need is more akin to employer support than contract support.
- There is not a strong system of recruitment, which impacts the ability of workers to find coverage for planned and unplanned absences.
- The process of becoming a homecare worker can be confusing and inefficient for some workers, in particular the time it takes to get a background check.

² PHI Report, 2022, page 15.

- The implementation of provider time capture, which is required by federal law, has faced ongoing challenges which in some cases have resulted in workers losing their provider number and thus their job and income.
- The state has a history of paying workers late, inaccurately, or not at all; in 2022 this resulted in a \$2.2 million settlement for SEIU-represented workers. These problems pose ongoing risks to the state *and* harm workers.

The impacts of late pay have been uniquely difficult for workers and have caused serious harm. Pay issues have resulted in unpaid bills and associated late fees and interest; missed mortgage payments; missed rent payments resulting in evictions and increasing the risk of homelessness; not enough money for food and skipping meals; overdraft fees; pulling money from retirement savings and paying penalties; negative impact to credit; lapses in insurance; the inability to afford gas to get to work; and serious impacts to mental health and wellness. This has also directly contributed to homecare workers leaving for other jobs.

Consumers aren't always well-served by the OHCC model, either. Because the OHCC is the only self-directed model for consumers, there are no real options for people who want to self-direct their care, but not bear the burden of serving as an employer. As noted above, there is not a good system for respite care or shift coverage when a caregiver is sick or absent.

What is Agency with Choice?

Agency with Choice (AwC), also known as a “co-employment” model, is a Medicaid-recognized service delivery model that prioritizes self-direction and consumer choice in delivering care services. In the simplest terms, under an AwC model, the consumer or participant is the managing employer of their caregiver, and the Agency is the employer of record. This allows a consumer to have full control of their services without the administrative burden of serving as an employer.

How would Agency with Choice work in Oregon?

Senate Bill 570 would direct the state to create a new consumer-directed agency type that would offer Agency with Choice services in Oregon. The state would contract with up to two providers to provide the services, and the providers would be required to demonstrate their ability to provide high-quality AwC services, including: a commitment to self-direction; the ability to deliver high quality training and benefits, including healthcare and retirement; a commitment to minimizing disruption to workers for loss of hours and consumers for caregiver absences (planned and unplanned); a system for supervision and management of caregivers; and the ability to implement electronic visit verification (EVV).

Providers would also be subject to extensive oversight accountability requirements to ensure quality. Requirements would include but are not limited to: implementing an agency-wide quality assessment program; enforcing pre-employment screening and training requirements; ensuring the timely reporting and investigation of all allegations of

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abuse or neglect; providing a safe workplace; and performing all duties as the employer of record, and support caregivers as employees.

The state would establish an hourly rate for the AwC provider that would reimburse the provider for services and ensure that workers could be paid a competitive wage and benefits. The rate would cap administrative costs at 30% and would fund at least the same wages and benefits as afforded to the current OHCC workforce under their collective bargaining agreement. In exchange for the hourly rate, the AwC provider would agree to transparency requirements such as direct cost reporting broken down by wages, benefits, and any other personnel related costs.

How does Agency with Choice solve current challenges?

We recognize that it is a unique position to take as a union to advocate for a new type of independent homecare agency. However, we sincerely believe that the current OHCC system is not prepared to absorb all the increased demand for services we expect to occur over the next decade. While we are committed to our ongoing partnership with the state to improve the OHCC, Oregon needs to create additional options for self-direction to work in partnership with the state to absorb increasing demand and ensure that neither consumers nor workers will fall through the cracks.

We believe an Agency with Choice model can address some of the most persistent issues that our members are facing. An AwC, as an employer, will be better prepared to support workers with administrative and HR functions such as payroll issues, workplace safety concerns, and more. Without the added burden of being the employer of record, consumers and their families can focus on self-direction and not on paperwork and compliance.

In closing, we strongly believe that the state needs to take action to implement an Agency with Choice model to increase choice for consumers, to provide an alternative to the state-run system, and to continue Oregon's longstanding history of leading the way in delivering high-quality long-term care services.

Sincerely,
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