

Home care needs critical funding

A proposed increase to the statewide minimum wage has huge consequences for home and community-based providers.

Our calculations reveal that, when fully implemented, this proposal would cost home care a stunning \$1.9 billion. Unlike institutions, such as hospitals, home care has a higher concentration of workforce costs. Thus, the impact for home care is larger.

The Homecare Association has long advocated for improved reimbursement to support home care worker wages and benefits. We agree that staff should be compensated in measure to the valued work they do serving New York's elderly and chronic-

care populations at home. A well-compensated staff also means less turnover, better patient care and higher patient satisfaction.

However, most of home care is supported by Medicaid and Medicare, public programs that already underpay the cost of care, absent a new wage mandate. As it is, two-thirds of New York's certified home care agencies are operating in the red.

Funding for this wage mandate is vital. Past history gives us pause. One reason, among many, why home care providers are struggling is due to past labor requirements and unfunded mandates without appropriate payment. The state's promises to reflect

these new costs, through reimbursement changes, have either fallen short or been unevenly distributed.

Much attention has been drawn to the worthy minimum wage discussion; but adequate funding is needed to back it up and, more importantly, to support an already struggling industry.

What's also troubling is the fact that this new mandate draws focus away from home care needs long left unaddressed. These include the chronic underinvestment of home care's infrastructure for health information technology and other purposes, as well as the urgent need for reimbursement reforms to repair an already precarious

financial profile.

Reimbursement and program fixes, as we have proposed, would support home care's needed participation in health system reforms that have otherwise provided billions of investment dollars for other sectors.

Notably, home care is poised to lead in meeting these other worthy goals in health care, like reducing avoidable hospital admissions, but not in home care's current state of underinvestment, and certainly not with a new \$1.9 billion unfunded cost obligation.

► *Joanne Cunningham is president of the Home Care Association of New York State.*