

Testimony of the Service Employees International Union Before the National Commission for Quality Long-Term Care

January 26, 2007

Good morning. I am Lee Goldberg, the long-term care policy director with the Service Employees International Union (SEIU). Senator Kerry, Speaker Gingrich, members of the Commission, thank you for the opportunity to testify today.

As the Institute for the Future of Aging Services noted, the long-term care system of the future will be organized differently. Home- and community-based services will play a central role in delivering quality care. But that can only happen if we solve the workforce shortage. With that in mind, I offer three specific recommendations:

Support Public Authorities

Consumer-directed care is an innovative alternative that allows consumers greater autonomy and control over the care they receive. Our experience has been that consumer-directed care works best when it is restructured to ensure direct care workers have an employer with the capacity to provide adequate wages and benefits.

The California experience is instructive. The state's initial consumer-directed home care program designated consumers as the employer, even though the services provided were paid for by the state through a public program.

The result was a fragmented program with no accountability. No one was responsible for screening or training workers and there was no entity to resolve problems that inevitably occurred. Pay was minimum wage, turnover was high, and consumers lived in fear that providers would find better jobs and leave them unattended.

In the 1990s, California reformed its consumer-directed program, creating county-based "public authorities" that along with the consumer served as co-employers. Consumers continued to have control over hiring, training, and the dismissal of workers. Public authorities set wages and benefits through collective bargaining, provided training and offered background checks.

The structural changes in California succeeded in stabilizing and expanding the workforce by raising wages. A study of San Francisco's public authority found:

- 47% increase in the number of consumers participating in the program;
- 57% decrease in the annual turnover rate of the workforce; and

- 54% increase in the number of Medicaid-funded personal care workers over a span of four years.

The impact of higher wages and benefits on the workforce was confirmed in a separate study by Professor Candace Howes, who found that individuals caring for family members in the IHSS program in California were more likely to stay in the field if there is adequate compensation. Health insurance, more than wages, turned out to be the greatest predictor of staying with the work.

Expand Labor-Management Agreements

Higher wages and better benefits alone will not stem high turnover. Low retention rates are in part attributable to poor worker-management relations. Programs that foster team-based decision-making, such as the Culture Change movement, may offer a remedy, but only if worker choice and worker participation are designed into the process and that is more likely to occur in facilities with labor-management cooperation agreements that empower direct care workers by giving them a meaningful voice in decisions that directly affect their working conditions.

United Healthcare Workers-East, the SEIU local in New York, is a unique example of how a union can foster true culture change. It is the only national entity committed to the equal recognition and involvement of direct-care staff in the design, leadership, and implementation of its programs. In less than three years, the United Healthcare Workers-East and its employers have actively engaged more than 500 staff from 40 nursing homes in organizational change efforts.

Develop Training Opportunities and Capacity

Adequate training is important for quality of care. Under the Labor-Management Relations Act of 1947, workers in unions can create jointly-administered benefit funds established under collective bargaining agreements. These funds, financed by a relatively small employer contribution (typically ½% of payroll) enable participating employers to offer educational and vocational training opportunities on a scale that is not possible for most individual employers. The Training and Upgrade Fund (TUF) developed by United Healthcare Workers-East and its employers has helped thousands of workers move from service and clerical positions into higher paying professional and technical jobs. In 2003, the TUF awarded \$32.2 million in grant funds and enabled 40,000 workers to either complete a training program or participate in the workplace skills program.

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Thank you again for the opportunity to testify. I commend the Commission for making the workforce the first issue on your agenda for 2007. As the nation's leading health care union, our one million members working in hospitals, nursing homes, and home care appreciate your holding this hearing. They stand ready to serve as potential partners and advocates for reform that ensures the delivery of quality long-term care for America's seniors and people with disabilities.

