

BACKGROUND

HOME AND PERSONAL CARE WORKERS PLAY A VITAL ROLE IN HELPING COLORADANS RECEIVE QUALITY CARE AT HOME.

Many different people make up the home care workforce, including personal care workers; individuals and their families; and licensed health professionals like nurses and physical, occupational and speech therapists.

Personal care workers are an important part of the home health team, helping with a wide range of daily activities, from bathing to ambulatory assistance to meal preparation. They help maintain a safe and sanitary living environment and ensure the availability of healthy food and clean conditions to prevent infections for individuals unable to do so on their own.

THE NON-MEDICAL HOME CARE INDUSTRY IN COLORADO INCLUDES OWNERS WHO STARTED OUT AS CAREGIVERS THEMSELVES.

The home care industry in Colorado includes several mid-sized agencies and hundreds of smaller agencies, who often provide care to 25-50 home care consumers each. These businesses serve the vast majority of Colorado's Medicaid home care recipients, consumers who receive home care services through long-term care insurance and those who pay out-of-pocket.

"Getting to work with my clients, giving them kindness and stability in the home, is helping them thrive. I can't help but feel I'm making a difference in their lives. It makes me feel good and proud that I can make that difference for someone."

- Kenzie

Who are personal care workers?

- Largely female (about 87 %)
- Encompassing a range of ages;
 high school grads to retirees
- Many do not have prior caregiver training
- Paid family members of home care consumers
- Former unpaid family caregivers who developed a passion for caregiving
- Certified nurse assistants

Most smaller agencies are soleproprietorships or LLCs where the owners have deep ties both to their communities and their staff.

They deeply understand not only the demands of the job and the challenges workers face but also the important role these services play in their communities.

ENSURING LIVABLE WAGES FOR CAREGIVERS

Personal care workers play a critical role in helping Coloradans stay in their homes, a role that will only increase in importance as the state's population ages. And while technological advances may alter some health care jobs, Coloradans will always need the vital human touch provided by personal care workers who help with such activities as bathing, feeding and maintaining a safe and sanitary living environment. Recruiting and retaining these valued employees is of paramount importance.

A better-paid caregiver workforce can translate to higher caregiver job satisfaction, lower turnover and greater quality and consistency for home care consumers. Indeed, home care agencies are motivated to pay higher wages but are often financially constrained in their ability to do so.

Colorado agencies, especially smaller agencies in rural areas, face a number of challenges:

- Growing wage inflation compounded by a shortage of qualified workers
- Operating costs including health insurance, background checks and office space — rising faster than government reimbursement
- Complying with additional federal and state regulations

Market wage rates remain low for personal care workers

In home care, as in other parts of the health care system, agencies match patient needs with the appropriate level of care. For example, registered nurses don't help with tasks like bathing or meal preparation, which helps reduce health care costs.

Most personal care workers have a high school degree, though it is not required, and with training, most personal care skills can be acquired within a few days. While this creates a lower barrier to entry than other positions that require additional education, it also contributes to lower wages in Colorado and nationwide. Lower wages can contribute to high turnover.

Well-supported, well-paid workers are good for business

As in other industries, high turnover rates are expensive for home care agencies. In addition, Colorado's low unemployment rate means agencies face fierce competition for qualified workers. Home care agencies compete not only with other health care settings like hospitals and nursing homes but also with other customer service entities like retail and food establishments.

However, Colorado's Medicaid rates remain low, limiting how much agencies that participate in Medicaid can pay workers. Personal care workers are an important part of the home care team and are supported by a range of staff who support training, recruiting, care management, benefits administration and quality management. Rate increases must keep pace with ongoing cost increases to ensure personal care workers receive the benefits, wages and support they need and deserve.

"This is hard work, and workers deserve higher wages. Without appropriate reimbursement, agencies will not be able to increase wages and maintain services for clients."

– Don Knox, executive director, Home Care Association of Colorado

CAREGIVER COMPENSATION 65%-70%

CAREGIVER
COMPENSATION
PAYROLL TAXES
UNEMPLOYEMENT

WORKERS COMP

ADMIN STAFF COMPENSATION 19%-23%

OPERATING EXPENSES 9%-13% CARE MANGEMENT
QUALITY MANAGEMENT
BILLING RECRUITING
REGULATORY COMPLIANCE
ACCOUNTING TRAINING
SCHEDULING HR MANAGEMENT
BUSINESS DEVELOPMENT
OVERALL COMPANY MANAGEMENT
UNEMPLOYEMENT PAYFOLL TAXES

NTEREST EXPENSE IT SYSTEMS
HEALTH & LIABILITY INSURANCE
SANIK FEES BUSINESS TRAVEL
STATE LICENSCING FEES HERNET
NTEREST EXPENSE CPA FEES
LILL OTHER COSTS OF DOING BUSINESS

HOME CARE ASSOCIATION OF COLORADO

The Home Care Association of Colorado is a nonprofit representing home health and home care agencies statewide caring for tens of thousands of Coloradans, including elderly, disabled and blind individuals. Founded in 1970, the association is made up of all sized agencies with a wide range of services. They serve clients in all 64 counties.

