

2017-19 Biennium Budget Decision Package

Placeholder

Agency: 303 Department of Health

Decision Package Code/Title: HA Assess Health Professions Account

Budget Period: 2017-19

Budget Level: PL-Performance Level

Agency Recommendation Summary Text: The Department of Health requests a placeholder decision package to help right size the Health Professions Account. The department is currently assessing each profession and its fund balance to determine the most appropriate course of action to ensure it is self-sustaining.

Fiscal Summary: Decision package total dollar and FTE cost/savings by year, by fund, for 4 years. Additional fiscal details are required below.

| Operating Expenditures | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-----------------------------------|----------------|----------------|----------------|----------------|
| Fund | | | | |
| Total Cost | | | | |
| Staffing | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
| FTEs | | | | |
| Revenue | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
| Fund | | | | |
| Object of Expenditure | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
| A - Salaries and Wages | | | | |
| B - Employee Benefits | | | | |
| C - Personal Service Contracts | | | | |
| E - Goods and Services | | | | |
| G - Travel | | | | |
| J - Capital Outlays | | | | |
| N - Grants, Benefits & Client Svc | | | | |
| T- Intra-Agency Reimbursements | | | | |

Package Description

The Department of Health requests a placeholder decision package to help right size the Health Professions Account. The department is currently assessing each profession and its fund balance to determine the most appropriate course of action to ensure it is self-sustaining. Possible actions under consideration include: raising fees for targeted professions; identifying program or disciplinary efficiencies, and; looking at instances where General Fund-State backfill might be necessary to avoid providers leaving or not entering certain professions. This analysis has been ongoing and is expected to be completed in the next few weeks.

The homecare aide profession is one example of a health profession where subsequent action will be proposed. Ongoing revenue from home care aide licensure fees is not sufficient to support the costs of running the program. Individual health professions are required to fully recover their costs with fees. The homecare aide program currently carries a deficit and is not projecting to be able to fully cost recover. While fees have been increased, fee revenue trends do not project to cover all costs. The current fee is \$85. There doesn't appear to be any additional capacity to raise the homecare aide licensing fee without having unintended consequences (e.g. reducing the number of applicants entering the homecare field). Three areas in particular have led to this deficit: credentialing; translations and; discipline costs.

This decision package requests funding to continue program activities at current levels.

Home Care aides provide a vital service to vulnerable populations. However, growth in the professions has not been sufficient to meet demand. To increase the supply of home care aides, the department has focused resources in two areas: credentialing and translation services. Given the complexity of the credentialing process for home care aides, the department created a section of staff whose sole function is to process home care aide applications.

A high proportion of applicants do not speak English, and some cannot read. The department is piloting the translation of license applications. To reduce the barrier to licensure the home care aide exam has been translated into 13 languages. For those who cannot read, individual translators can be provided. Service is most effective when providers speak a client's language. Many of these clients are non-English speakers and find the prospect of being housed in a traditional nursing home to be alienating. Many cultural traditions favor aging in place and a home care aide allows family members to provide services while receiving insurance benefits. Further, the cost of in-home care is roughly half that of traditional nursing homes. Ensuring that all populations have access to basic services is one of the foundations of public health.

Home care aides have one of the highest complaint rates of all health care providers, 3.9% vs 2.7% for all providers. They work with some of the most vulnerable populations in the state without supervision. Because the nature of many of the complaints often include abuse, the investigation rate for home care aides is higher than that for most other professions. This leads to higher costs for investigations and legal than is typical for a profession of this size.

The department has raised fees for applications and renewals to \$85. This fee is high considering the pay level for these providers is \$12/hour. Concern has been voiced by stakeholders that these fees place an undue burden on those who work as home care aides, and makes it difficult for some to continue working as home care aides. This comes at the same time the state is seeing an increasing need for homecare aides. Without an adequate home care aide workforce, many of those in need of their services may find out of home settings such as nursing homes to be the only available option. Given that nursing homes cost roughly two times as much as in-home services, the lack of an adequate home care aide workforce could be very costly.

Based on DSHS fiscal year caseload estimates there are 42,738 in-home clients receiving benefits. The current monthly reimbursement rate for in-home clients averages \$2,128 per month, and the monthly rate for clients

in nursing facilities averages \$5,535. If 50 in-home clients (0.1%) were to transfer to nursing facilities the state portion of their reimbursement would increase by \$940,330 per year.

Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service. Please include annual expenditures and FTEs by fund and activity (or provide working models or backup materials containing this information).

This decision package request is currently a placeholder. Impacts associated with the homecare aide profession have been included; however, subsequent information on other professions will be provided in the next few weeks.

For homecare aides, the department has spent \$1.6 million for translations of exams into 13 languages, and translators for individuals who speak languages to which the exam has not been translated are \$70,000 per year. Credentialing costs are \$1.1 million, and disciplinary costs are roughly \$460,000 per year, both are expected to increase.

Decision Package expenditure, FTE and revenue assumptions, calculations and details: Agencies must clearly articulate the workload or policy assumptions used in calculating expenditure and revenue changes proposed.

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For homecare aides, the department projects that total program spending will exceed fee revenue by \$800,000 per year during the 2017-19 biennium. The high turnover in the profession (25 percent of applicants fail to renew their license) ensures that credentialing costs will remain high. The department assumes that current levels of translator costs will not decrease because the numbers of applicants from non-English speaking communities is expected to increase. It is also anticipated that additional exam translations will be periodically needed as certain groups grow to the point that individual translator costs exceed that of an exam translation.

Disciplinary costs will remain high owing to several factors. Providers have little investment in the profession (e.g. little training, low pay) but provide services in the homes of vulnerable populations and have little oversight.

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

Describe and quantify the specific performance outcomes the agency expects as a result of this funding change. ([results washington link](#))

This decision package request is currently a placeholder. Impacts associated with the homecare aide profession have been included; however, subsequent information on other professions will be provided in the next few weeks.

Expanding funding for the home care aide program will allow the department to continue expanding access to home care aide licensure. This helps ensure that all people in Washington, regardless of cultural background, have access to culturally appropriate modes of care. This will also allow the department to

continue pursuing action against unsafe providers in a timely manner, which protects the people of Washington, and in particular vulnerable populations, from harm at the hands of unsafe providers. Further, it allows the department to process applications for licensure in a timely manner.

The department will continue to process home care aide applications in a timely manner, ensure that all those who prefer the services of home care aides have access, and pursue discipline in a timely manner to reduce the risk that unsafe providers harm their clients.

Performance Measure detail:

Results Washington

Goal 4: Healthy & safe communities

Goal 5: Efficient, effective & accountable government

Department of Health Strategic Plan

Goal 1: Protect everyone in Washington from communicable diseases and other health threats – Resolve healthcare provider and facility complaints and allegations of misconduct or unsafe care.

Fully describe and quantify expected impacts on state residents and specific populations served:

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The department and the Department of Social and Health Services (DSHS) estimate that the population needing home care aide services in Washington is 50,000. There are, however, only 18,500 credentialed Home Care Aides. Without an adequate workforce of home care aides, many of those in need of their services will choose nursing homes.

The scarcity of providers has a pronounced impact on non-English speaking populations, making this a health equity issue. For cultural and language reasons, many prefer to age in place.

What are other important connections or impacts related to this proposal? Please complete the following table and provide detailed explanations or information below:

| Impact(s) To: | | Identify / Explanation |
|----------------------------|----|------------------------|
| Regional/County impacts? | No | Identify: |
| Other local gov't impacts? | No | Identify: |
| Tribal gov't impacts? | No | Identify: |

| | | |
|--|------------|---|
| Other state agency impacts? | Yes | Identify: The Department of Social and Health Services (DSHS) supports the department's efforts to increase the number of home care aides. Non-English speaking clients of DSHS are best served by home care aides who speak the client's language and understands the client's culture. This need is met by translating the licensing application and testing materials helps applicants with limited English proficiency demonstrate their knowledge and ultimately become licensed as a home care aide. |
| Responds to specific task force, report, mandate or exec order? | No | Identify: |
| Does request contain a compensation change? | No | Identify: |
| Does request require a change to a collective bargaining agreement? | No | Identify: |
| Facility/workplace needs or impacts? | No | Identify: |
| Capital Budget Impacts? | No | Identify: |
| Is change required to existing statutes, rules or contracts? | No | Identify: |
| Is the request related to or a result of litigation? | No | Identify lawsuit (please consult with Attorney General's Office): |
| Is the request related to Puget Sound recovery? | No | If yes, see budget instructions Section 14.4 for additional instructions |
| Identify other important connections | | |

Please provide a detailed discussion of connections/impacts identified above.

What alternatives were explored by the agency and why was this option chosen?

This decision package request is currently a placeholder. Impacts associated with the homecare aide profession have been included; however, subsequent information on other professions will be provided in the next few weeks.

The department continues to expend more for home care aide the licensing and regulation than revenue generated by fees. The department has paid for translations of exams and individual translators from the health professions account. The costs of these translation services has greatly exceeded the revenue from home care aide fees. Further, the costs of credentialing and discipline continue to outstrip the program's revenue.

Without an additional state investment, the department could: 1) increase home care aide fees to levels sufficient to fully support the cost of translations, although this may discourage potential applicants from seek licensure, 2) discontinue translation services, 3) reduce resources devoted to home care aide discipline 4) reduce resources committed to processing applications for licensure which would constrain growth in the home care aide workforce. The Homecare Aide profession is currently in a \$5.8 million deficit.

What are the consequences of not funding this request?

This decision package request is currently a placeholder. Impacts associated with the homecare aide profession have been included; however, subsequent information on other professions will be provided in the next few weeks.

Without additional funding, the department would be forced to 1) increase fees 2) reduce program resources, or 3) continue to subsidize from other programs. Raising fees would likely meet great resistance from stakeholders, and place an undue burden on some of the lowest paid providers in the healthcare system. Reducing program resources could lead to a reduction or elimination of translation services, slower processing of credentials, and reduced response to disciplinary complaints.

Reducing translation services or slowing application processing would have the effect of reducing the home care aide work force and would likely cause more people needing their services to choose nursing homes over aging in place at home. A slowdown in disciplinary activity would increase the likelihood that unsafe providers would care for vulnerable clients. Maintaining a deficit fund balance is in violation of statute, RCW 43.70.250.


How has or can the agency address the issue or need in its current appropriation level?

This decision package request is currently a placeholder. Impacts associated with the homecare aide profession have been included; however, subsequent information on other professions will be provided in the next few weeks.

The department could reduce support for the homecare aide program to levels that could be supported by fee revenue. The department could also raise fees to levels sufficient to support current activities. The department could continue to support the program at current level and increase the deficit.

Other supporting materials: Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No 

Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)