

Caregivers without Health Care

Quality health and long-term care depends on a stable, healthy direct-care workforce. Direct-care workers—nursing assistants, home health aides, and personal assistants—provide the bulk of the hands-on care to Vermont’s elders and people with disabilities, a population that is growing each year. With the traditional pool of caregivers entering the labor force (women aged 25–54) shrinking, Vermont faces a “crisis in the making”—not enough caregivers for those in need.

One factor that contributes to this growing shortage of direct-care workers in Vermont is a lack of access to adequate and affordable health insurance. A recent study of the direct-care workforce in Vermont revealed that one in four respondents had no health insurance.¹

Who Are Vermont’s Uninsured Direct-Care Workers?

- Over half (53 percent) of those without health insurance work full-time—over 35 hours per week.
- Workers under the age of 40 are more likely to be uninsured.
- Half the workers lacking health insurance care for clients in homes either through an agency or through being hired directly by the client.
- The average wage for a direct-care worker without health insurance is \$10.54 per hour.

Legislative Study on the Direct Care Workforce in Vermont
(March 2008)

Why it Matters

High turnover rates in nursing homes, home and community-based settings, and consumer-directed programs create an unstable workforce and disrupt continuity of care for consumers. In 2000, it was estimated that, in Vermont, the turnover rate for nursing assistants in nursing homes and home care agencies averaged 35 to 60 percent.²

Quality long-term care depends on healthy direct-care workers.

Turnover undermines quality care. When a worker with an on-going relationship with a client or resident is replaced by someone new—quality and consumer satisfaction declines. When turnover leads to a shortage of staff, those who stay on the job have to do more work, do it faster, and do it with higher levels of stress and frustration. The impact? Rushed care; delayed care; and too often, forgone care.

Turnover is expensive. It costs an employer approximately \$3,500 in direct and indirect costs to recruit and train a new worker to replace one who leaves.³ Since a large portion of long-term care costs are funded by public programs such as Medicaid and Medicare, much of the cost of turnover is borne by taxpayers.

Turnover decreases when workers are provided health coverage. *The Legislative Study on the Direct Care Workforce in Vermont* showed that workers that receive health insurance remain on the job 2.5 years longer than those without insurance.⁴ Health care benefits may be even more important than wages in increasing the supply of direct-care workers.⁵ By decreasing turnover, affordable health coverage improves the quality of care and lowers the cost of care for consumers.

Why Caregivers are Uninsured

Even when long-term care employers offer health coverage to their direct-care workers, low wages and part-time hours—both of which are common in this field—put this coverage out of reach for many workers.

- In Vermont, home health aides, nursing assistants, and personal care aides earn a median wage that is approximately \$4 per hour less than the state’s median wage, making it difficult for these workers to afford insurance premiums, co-payments, and deductibles.⁶

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- Caregivers are primarily women and many have chronic health conditions such as diabetes and hypertension.⁷ These factors make them a “high-risk” population, which adds to the difficulty of finding comprehensive affordable health coverage.
- Due to the unpredictable nature of the work, particularly in home care, many direct-care workers are part-time. Very few employers offer health insurance coverage to part-time staff.

Solutions and Challenges

In October 2007, Vermont launched a public insurance program called Green Mountain Care, which includes a new program called Catamount Health, and three existing state plans: the Vermont Health Access Plan (VHAP), Medicaid, and Dr. Dynasaur. Offered by the state of Vermont and its partners, Green Mountain Care programs adjust co-payments and premiums to keep out-of-pocket costs reasonable.⁸

Given what we know about direct-care worker wages, most uninsured direct-care workers are eligible for one of these state-funded health care programs at little or no cost per month. However, challenges exist in enrolling eligible workers. There is no centralized public list of direct-care

workers, making it difficult to contact them. Additionally, there is no established mechanism for tracking enrollment by occupation in order to measure enrollment of these workers.

The following actions could be taken to increase and track enrollment of direct-care workers:

- Explore earned income disregards and automatic enrollment of direct-care workers in state-funded health care plans.
- Explore ways to increase Catamount health premium assistance for direct-care workers.
- Capture and report enrollment data by workforce sector or employer type.
- Explore avenues for targeting low-income workers who currently receive other forms of assistance from the state.

HCHCW Vermont is working with stakeholders to increase enrollment among uninsured direct-care workers. Direct-care workers and advocates can find out more about Green Mountain Care and how to enroll through:

- Green Mountain Care:
www.greenmountaincare.org or call 800.250.8427, or
- Vermont Campaign for Health Security:
www.catamounthealth.org or call 866.482.4723

Endnotes

- ¹ Vermont Legislature (March 2008). *Legislative Study on the Direct Care Workforce in Vermont*. Available at www.coverageiscritical.org
- ² Better Jobs Better Care (June 2006). *Vermont Demonstration Project Profile*, www.PHInational.org/clearinghouse
- ³ Seavey, D. (2004). *The Cost of Frontline Turnover in Long-Term Care*. Better Jobs Better Care. www.PHInational.org/clearinghouse
- ⁴ Vermont Legislature (March 2008). *Legislative Study on the Direct Care Workforce in Vermont*. Available at www.coverageiscritical.org
- ⁵ PHI Health Care for Health Care Workers (October 2007). *Health Insurance Vital to Job Retention*. www.coverageiscritical.org
- ⁶ U.S. Bureau of Labor Statistics (May 2007). *May 2007 State Occupational Employment and Wage Estimates—Vermont*. Available at: http://www.bls.gov/oes/current/oes_vt.htm#b00-0000
- ⁷ PHI Health Care for Health Care Workers (February 2007). *When Michigan’s Caregivers Lack Coverage: Findings from a Survey of Michigan’s Home Help Workforce*. www.coverageiscritical.org
- ⁸ <http://www.greenmountaincare.org>



Health Care for Health Care Workers, an initiative of PHI, works with employers, policy-makers, direct-care workers, and consumers in Northern New England to advocate for affordable, adequate, and accessible health coverage for the long-term care workforce. Policymakers will act if they hear real stories from people directly affected by this irony—health care workers who lack access to affordable health coverage.

If you would like to join our outreach campaign or tell your story about the important role health coverage plays in your ability to provide quality care to your clients, please contact Alex Olins at 802.655.4615 or aolins@PHInational.org. We can help connect you with the resources you need to access affordable health coverage for you and your family.



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