

Testimony to Legislative Health and Human Services Committee

October 17, 2023

**New Mexico Caregivers Coalition
Adrienne Smith, President and CEO**

New Mexico Caregivers Coalition is asking legislators in the 2024 session to use the Medicaid system to improve the Personal Care Services (PCS) workforce. Our bill—the Personal Care Services Cost Study bill—will fund a first-ever, one-time cost study of the Personal Care Services (PCS) caregiver workforce, those caregivers who serve Medicaid’s elderly. The cost study bill includes a one-time appropriation of \$400,000. The bill will be sponsored by Representative Kathleen Holmes-Cates.

NMCC trains and advocates for the more than 62,000 paid, professional caregivers and more than 419,000 paid or unpaid caregivers caring for loved ones. NMCC trains and advocates for caregivers in all settings so that they, in turn, may better serve persons who are elderly and those with disabilities.

NMCC advocates for all caregivers working across all settings. The more than 62,000 paid, professional caregivers in New Mexico are also known as home care workers, homemakers, residential care aides, personal care assistants, nursing assistants (in nursing homes), direct support professionals (in DD Waiver programs) and respite workers. Both paid and unpaid caregivers work in a variety of settings: in homes, community-based settings, group homes, assisted living, memory care centers and nursing homes.

NMCC focuses our advocacy agenda on caregivers working in the systems that elected officials have responsibility for: Medicaid. In New Mexico, this means caregivers working in the Medicaid-funded Developmental Disabilities (DD) Waiver programs and also Personal Care Services (PCS) provider agencies.

My comments today will focus on PCS workers of the Medicaid-funded system since our 2024 bill will address those workers.

As you already know, caregivers nationally and in New Mexico are among the very lowest-paid workers: 83% of paid, professional caregivers are women; 82% are people of color and 64% of all caregivers live at or below the federal poverty level. Indeed, the Bureau of Labor Statistics documents that the average wage of the paid, professional caregiver in New Mexico was \$10.90 in 2009; yet, a full ten years later, in 2019, it was \$10.92 (in real wages)!

While our state’s minimum wage has increased since 2019 and now stands at \$12.00/hour, these jobs remain poorly-paid positions and the 2023 minimum wage is by no means a living wage. NMCC’s ten summer 2023 “Listening to Caregivers” sessions shed light on the continued, inadequate reimbursement rates paid to Medicaid system PCS and DD Waiver-funded provider agency for their staff, or caregivers.

A young man who works as a caregiver for a NM provider agency in Alamogordo told us over the summer, “I work 10 hours a day, five days a week and I’m still poor!”

Likewise, a PCS agency executive from Roswell told us over the summer that caregiver turnover at his agency is currently 48 percent. He has been in business for 21 years, pays better than most local employers and has always been able to find good workers – until now.

This PCS agency executive told listeners: “We have a 48% caregiver turnover rate because of very low reimbursement rates paid to PCS provider agencies. We cannot retain our caregiver workforce because we do not have other ‘cost centers’ to make up the losses paid in wages [that are higher than reimbursement rates].”

In the same way that there are paid professionals in the caregiver industry, our New Mexico Medicaid-funded programs allow for a family member to be paid to care for a loved one if that care recipient is on Medicaid. Often, the only people able or willing to serve in caregiver roles are family members, so Medicaid-funded programs like the Managed Care Community Benefit or the Mi Via program in New Mexico pay a family member to be the caregiver. But only just barely. These programs, while well-intended, can keep entire families in poverty because of the subsistence payment to a caregiver.

NMCC is asking the legislature in 2024 to use the Medicaid system to benefit the Personal Care Services (PCS) workforce. Our bill will accomplish the goal of a first-ever cost study of the PCS caregiver workforce. The total cost of a cost study is approximately \$400,000.

The Personal Care Services Cost Study bill is modeled on HB 395 or SB 203 (2023). The bill requires Personal Care Service provider agencies to submit workforce data annually to the agency administering Medicaid that includes:

1. number of full-time and part-time employees,
2. vacancy, or workforce retention rates,
3. demographic information (age, gender, race and ethnicity and education level); and
4. wages and benefits paid to caregivers.

The agency administering Medicaid is required to analyze the workforce data it collects from PCS provider agencies and send the analysis to Legislative Health and Human Services Committee, Legislative Finance Council and the Governor.

Also, the agency administering Medicaid is required to contract for an independent, one-time study for the purpose of determining the real cost of providing personal care services and recommending to the legislature the reimbursement rates sufficient for personal care service provider agencies. As part of that cost study, the independent contractor shall include funding recommendations that would allow all PCS workers employed by PCS providers agencies to be paid at least 150% of the state minimum wage.

Finally, the bill requires that the agency administering Medicaid adjust capitation payments to Managed Care Organizations so as to allow them to pay the recommended reimbursement rates to PCS provider agencies for better paying PCS workers/caregivers. This requirement in the bill is subject to approval by the federal Centers for Medicare and Medicaid Services.

I believe that many of New Mexico’s paid professional caregivers left the direct care workforce in 2022 for good, seeking and finding better-paying jobs. They may never return to the field (“Employers are Struggling to Find Caregivers,” Oct. 31, 2021).

But we can still try to show we value these workers and that we respect all that they do for persons who are elderly and those with disabilities. Low-wage workers nationally and in New Mexico are predominantly women, Hispanic, Native-American and Black workers. And these are the very workers who make up New Mexico's caregiver workforce who continue to suffer from grossly inadequate wages.

State policy has a central role to play in resolving problems of poverty for the lowest-wage workers—especially for those who are paid for with state and federal funds. And we have a responsibility to ensure that a robust workforce exists to care for those who are elderly and those with disabilities.

The only way those who are elderly and those with developmental disabilities receiving Medicaid can be served is when we take care of the caregivers performing that care.

Thank you for your support of Representative Cates's Personal Care Services Cost Study bill during the 2024 session. We appreciate you supporting all of New Mexico's caregivers with us: homemakers, residential care aides, personal care assistants, nursing assistants (in nursing homes), direct support professionals (in DD Waiver programs) and respite caregivers.

These workers—including the family members paid to serve in these roles--provide care in many settings, including a very large one over which you have authority and oversight: Medicaid-funded programs of the Personal Care Services programs and the caregivers working within that program.

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NMCC advocates for direct care workers' education, training, benefits, wages and professional development so they may better serve people who are elderly and those with disabilities.