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Montana Leads the Way in Covering Caregivers

Other States Also Explore Ways to Insure the Uninsured

Montana has approved a new way of providing health care coverage for health care workers. As of January 2009, the state will increase its Medicaid payments to agencies that deliver in-home care so they can purchase health insurance for a significant number of their direct-care employees.

“We applaud Montana’s ground-breaking legislation,” says Carol Regan, director of PHI’s Health Care for Health Care Workers (HCHCW) initiative. “This is part of a growing national trend that will benefit everyone who needs long-term care services — and the family members who care for them.”

The direct-care workforce in long-term care (nursing assistants, home health aides, personal care attendants, etc.) is one of the fastest-growing in the American economy. Key to keeping up with increased demand is lowering the profession’s alarmingly high turnover rates, and [studies show](#) that health insurance helps keep workers in their jobs. Yet approximately two out of every five direct-care workers lack health care coverage.

The Montana effort, called [Healthcare for Montanans Who Provide Healthcare](#), allows employers to offer health insurance to personal care attendants and private duty nurses. The state’s budget for the coming biennium includes an additional \$2.6 million to raise payments to employers who participate in Medicaid in-home care. Federal matching funds will bring the total to about \$5 million a year. To receive the extra money, employers must agree in writing to spend it on health insurance for their direct-care employees, which must meet a set of quality criteria established by the state. The plan is expect to cover 1,000 currently uninsured workers. The bill was signed into law on [June 1](#).

A separate piece of legislation also passed this year. [Senate Bill 206](#) requires Montana’s Medicaid agencies to look into funding insurance in a similar fashion for nursing homes, developmental disability community service agencies, and other long-term care organizations.

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“To me what we are doing here is a great example of how private business and government can and should work closely together to get something done and make a positive difference in people’s lives,” says Bill Woody, president of Consumer Direct Personal Care and Nightingale Nursing. “I am thrilled that the Montana Legislature has recognized the dedication of our employees, the valuable work done by in-home caregivers and the critical role that the ability to offer affordable health insurance plays in enabling businesses such as ours to recruit, hire and retain qualified workers.” Woody’s in-home care agency developed the concept paper that gave birth to the Montana insurance initiative and spearheaded the effort to secure funding from the legislature.

“Montana has taken a significant step towards ensuring the availability of a high-quality long-term care workforce now and in the future,” Woody says. “At the same time, we will all clearly reap positive social and economic benefits because more of our fellow citizens have health insurance.”

Woody, who also owns and operates in-home care agencies in Arizona, Alaska, Nevada, and New Mexico, believes other states should consider replicating or adapting Montana’s approach. “The issues that make this initiative important -- the emerging crisis in the long-term care workforce and general lack of affordable health insurance -- are not unique to us,” he says. “It seems to me we are all grappling with the same problems and challenges. Why not learn from each other?”

HCHCW is already working with several other states and employers who are finding new ways to cover direct-care workers. For example:

- In Maine, HCHCW is supporting [LD 1687](#), which would make it easier for direct-care workers and their employers to enroll in state-subsidized health insurance.
- In Pennsylvania, HCHCW is supporting [Prescription for Pennsylvania](#), a comprehensive bill that would expand health coverage to low-income families and workers – including many in direct-care – employed by small businesses.
- In Michigan, HCHCW is working with a large nursing home company to make health insurance affordable and accessible for direct-care staff.

“We’re excited about the progress being made in Montana and elsewhere,” says Regan. “We look forward to working with more states as they expand health coverage to the uninsured or restructure their long-term care systems.”

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[PHI](#) (the Paraprofessional Healthcare Institute) works to improve the lives of people who need home or residential care — and of the workers who provide that care. Our practical workplace and policy expertise helps consumers, workers and employers improve care by improving the quality of direct-care jobs. PHI’s [Health Care for Health Care Workers](#) initiative is a national campaign to expand quality health coverage for direct-care workers.

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