

Health Coverage for Direct-Care Workers: Myths and Realities

***Myth:* Health insurance is not a major issue for caregivers.**

Reality:

- **Health insurance is a top concern for direct-care workers nationwide.**¹
- **Caregiving is dangerous work.** Direct-care workers are frequently injured on the job, most often while “lifting” their clients. According to the U.S. Bureau of Labor Statistics, nurse aides have a higher rate of job-related injuries and illnesses than almost any other occupation, coming in behind only truck drivers, laborers, and material movers.²
- **Caregivers belong to demographic groups that suffer disproportionately high rates of chronic medical conditions.** Nine out of ten direct service workers are women. Their average age is 40, and nearly half are people of color.³ A recent survey found that 37 percent of African American women over the age of 45 report poor health and 29 percent have diabetes.⁴
- **Health insurance reduces turnover.** Health benefits provide the security that workers need to stay in their jobs. Studies show that turnover rates improve when workers have health coverage.⁵

***Myth:* A lot of Americans don’t have health insurance. Direct-care workers aren’t any different.**

Reality:

- **Direct-care workers are uninsured at a rate that is 50 percent higher than the general population under age 65.**⁶ Direct-care workers frequently fall between insurance systems—they can not afford private plans and they do not meet eligibility requirements for Medicaid or other public programs.
- **One in every four nursing home workers⁷—and more than 2 out of five home care workers⁸—lack health insurance coverage.** Direct-care workers are far more likely to be uninsured than workers who work in other health care settings. For example, nursing home workers are two times more likely to be uninsured than hospital workers.⁹
- **Without health coverage, chronic medical conditions go untreated.** One study found that one-third of uninsured home care workers with diabetes were not getting regular care.¹⁰ Left untreated, diabetes and other chronic conditions often cause serious problems that can force workers out of the direct-care workforce, either temporarily or permanently.

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Health Care for Health Care Workers

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- **When caregivers go to work ill, it puts their clients at risk.** Many workers who can't afford health coverage report to work even when they are ill and contagious. Without health coverage and proper care, conditions like asthma, bronchitis or pneumonia can endanger both the caregiver and the long-term care consumer.

Myth: It's the workers' fault. Direct-care workers should take advantage of the insurance offered through their jobs.

Reality:

- **Many caregivers are not offered insurance by their employers.** Direct-care workers frequently work for temporary agencies or very small businesses that do not offer health coverage benefits. Others are self-employed, independent providers hired directly by consumers. The rising cost of health insurance means that even larger employers are finding it more difficult to offer coverage. Nationally, the number of long-term care employers offering health benefits declined from 69 percent in 2000 to 60 percent in 2005.¹¹
- **Many are ineligible for the plans their employers offer because they are part-time or newly hired.** For example, only 34 percent of home care aides work full time,¹² frequently making them ineligible for coverage.

- **Many can not afford to participate in their employer's insurance plan.** On average, direct-care workers are asked to contribute \$600 a year toward employer-based health care plans—and much more for family coverage.¹³ For direct-care workers, these costs are a significant percentage of their income.

Myth: It's the employers' fault. Employers' should offer affordable insurance to their employees.

Reality:

- **The cost of premiums is rapidly increasing.** The average premium cost for employer-sponsored coverage for an individual employee rose to over \$4,000 a year in 2005. Average family health insurance premiums were nearly \$11,000 a year. This can be more than a minimum-wage worker's total "take-home" pay.¹⁴
- **Premiums are even higher for long-term care employers.** Many providers of long-term care services are small employers who have difficulty negotiating effectively with insurance companies for lower group rates. High employer costs always mean less coverage.
- **Many long-term care providers rely heavily on payments from the government for the services they provide.** In most states and communities, Medicaid rates do not adequately account for the cost of health insurance or other benefits for direct-care workers.

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***Myth:* Our nation's public health safety net will take care of direct-care workers who don't have insurance.**

Reality:

- **Despite low incomes, most direct-care workers are not eligible for either Medicare or Medicaid.** Most workers aren't old enough for Medicare benefits (to qualify, you must be 65 and older or have a significant disability) or "poor" enough for Medicaid (which is designed primarily for women and their children and people with disabilities). In 36 states, parents with poverty-level incomes—less than \$15,260 for a family of three—cannot qualify for public health insurance. In 42 states, adults without children are ineligible for Medicaid regardless of their income, unless they are severely disabled.¹⁵
- **Even in states with subsidized insurance programs for the "working poor" and small employers, there are often obstacles to obtaining coverage.** For example, Maine's DirigoChoice program requires that 75 percent of eligible workers enroll, a threshold many long-term care organizations cannot achieve. Although a "visionary" plan with good intentions, DirigoChoice excludes part-time workers, and workers can be responsible for up to \$4,000 a year in out-of-pocket costs,¹⁶ which is one of the reasons for low enrollment.

- **"Free care" available at some hospital emergency rooms and clinics is not the answer.** Direct-care workers cannot rely on charity care for preventive, ongoing, or emergency health care services. The proportion of physicians providing charity care dropped from 76 percent to 72 percent between 1997 and 1999,¹⁷ and hospital emergency rooms and clinics are increasingly overwhelmed with patients without health coverage.

***Myth:* Long-term care workers can find other jobs if they really need insurance.**

***Reality:* This is not a myth.**

- **Direct-care workers are often forced to leave work they love for jobs that provide better pay and benefits.** In nursing homes, turnover rates can be as high as 100 percent a year.¹⁸ In home care, 40-60 percent annual turnover is the norm.
- **High turnover undermines the quality and continuity of care.** Consumers of long-term care services grow close to their direct-care workers, who learn to respond to a range of individual needs and preferences. When a worker leaves the workforce, the client must start from scratch with someone new.

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- **Expanding health coverage is essential to stabilize the direct-care workforce and prepare for the caregiving needs of the future.** Between 2000 and 2030, the elder population in the United States is expected to increase by more than 100 percent, according to the U.S. Census Bureau. During that same period, the traditional caregiving workforce (women age 25 to 44) is projected to increase by less than 7 percent.¹⁹

It's not a myth...

Let's start caring for caregivers today!

Learn more about the role of direct-care workers in our long-term care system, and the challenges faced by long-term care consumers, employers, and direct-care workers at

www.coverageiscritical.org.

PHI works to improve the lives of people who need home care and nursing home care—and the lives of the workers who provide that care. Our practical workplace and policy expertise helps long-term care consumers, workers and employers improve the quality of care, by creating quality direct-care jobs.



Our goal is to ensure caring, stable relationships between consumers and workers, so that both may live with dignity, respect and independence.

Endnotes

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