

Health Insurance Vital to Job Retention

Researchers have found a strong, positive link between health insurance benefits for direct-care workers and worker retention. In fact, health insurance may be more important than wages in reducing turnover and increasing the supply of direct-care workers.

A growing number of studies support these findings:

- Frontline health care workers enrolled in employer health insurance plans have more than twice the tenure of those without employer coverage.¹
- Health insurance may be even more important than wages in increasing supply of health workers and hours worked.²
- Home care workers enrolled in their employer-sponsored health plan had a higher retention rate (56 percent) than workers who were eligible but not enrolled (45 percent).³
- In California, providing health insurance increased the probability of new direct-care workers remaining in their jobs for at least one year by 21 percent.⁴

The evidence base is growing, along with the recognition that as a country we must address the ever-growing “care gap.”⁵ Policymakers must take affirmative action to reduce high vacancy and turnover rates and improve these jobs in order to deliver quality services promised to frail elders and Americans living with disabilities.

Despite the evidence, we have a long way to go. Many direct-care workers do not have access to affordable health insurance from their jobs, and are uninsured at a rate twice that of the general population. With employer coverage continuing to decline, it is crucial that policymakers focus on strategies to improve access to public and private coverage for this workforce.

High turnover rates are not good for employers, for workers, and most importantly, for the families that depend on consistent care for their loved ones. To ensure that all direct-care workers are able to provide the highest quality care to all long-term care consumers, health insurance coverage is an important and critical first step.

References:

- ¹ Duffy, N. (2004) *Job tenure of frontline healthcare workers*. Working Paper 102. JFK Jr. Institute for Worker Education. City University of New York.
- ² Rodin, H.A. (2006) *Increasing the supply of certified nursing assistants*. Ph.D. Dissertation. Minneapolis, MN: School of Public Health, University of Minnesota.
- ³ RTZ Associates, Inc. (2005) *Expanding health benefit eligibility: Impacts on the IHSS workforce*. Prepared for the Personal Assistance Services Council of Los Angeles County (PASC).
- ⁴ Howes, C. (2005) "Living wages and retention of homecare workers in San Francisco," *Industrial Relations*, 44(1): 139–163.
- ⁵ Additional studies supporting health insurance as key to job retention:
 - Berliner, H.S. (2004) *Home care workers health insurance demonstration project: Final evaluation*. Milano Graduate School at the New School University
 - Dresser, L., D. Lange., and A. Sirkus. (1999) *Improving retention of frontline caregivers in Dane county*. Center on Wisconsin Strategy.
 - Duffy, N. (2004) *Keeping workers covered: Employer provided health insurance benefits in the developmental disabilities field*. JFK Jr. Institute for Worker Education. City University of New York.
 - Howes, C. (2006) *Building a high quality home care workforce: Wages, benefits and flexibility matter*. A Better Jobs Better Care Research Study. Institute for the Future of Aging Services.
 - Wheeler, K., D. Kurtz, and T. Smith (2002) *Evaluation of the impact of WIC Section 4681.4 (Rate Increase) on staff turnover for direct support workers in licensed community care facilities for people with developmental disabilities, 1998–2000*. Submitted to California Department of Developmental Services by University of Southern California, University Affiliated Program.

About the campaign

Health Care for Health Care Workers, an initiative of PHI (www.PHInational.org), seeks to expand health coverage for workers who provide support and assistance to elders and people living with chronic conditions and/or disabilities. These consumers need a skilled, reliable, and stable direct-care workforce to provide quality long-term care services. We believe that one way to ensure a quality direct-care workforce is to provide quality direct-care jobs—jobs that offer health coverage and pay a living wage.

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