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NATIONAL ASSOCIATION FOR HOME CARE & HOSPICE
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Val J. Halamandaris, JD
President

January 6, 2014

The Honorable Susan Collins
United States Senate
413 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Joe Donnelly
United States Senate
720 Hart Senate Office Building
Washington, DC 20510

Dear Senators Collins and Donnelly:

I am writing to offer our support for the “Forty Hours Is Full Time Act.” The National Association for Home Care & Hospice (NAHC) is the leading association representing the interests of the home care and hospice community since 1982.

Currently the provision in the Affordable Care Act (ACA) that imposes penalties on employers with more than 50 full-time equivalent employees for not providing health insurance for their “full time” workers defines an employee working just 30 hours a week as full time. This definition of full time is entirely out-of-keeping with standard employment practices and could cause irreparable harm to many home care agencies and the patients they serve.

The great majority of the estimated 25,000 home care agencies are small businesses under the standards of the Small Business Administration, but most are considered “large employers” subject to the employer mandate under the ACA because of the number of workers they employ. All told, there are over 2 million persons employed in home care. These home care agencies are innovative job creators that provide much needed compassionate, high quality care to elderly and disabled individuals in their homes and communities.

The majority of personal care home care workers do not receive employee health insurance because home care agencies have three problems that are fairly unique: reliance on government programs such as Medicaid where payment rates as low as \$11 an hour won’t cover the increased costs of providing health insurance; consumers of private pay home care who are often elderly

and disabled with fixed, low incomes; and a home care workforce with widely varying work hours primarily to accommodate the needs of their infirm clientele.

Home care agencies that are unable to provide health insurance or absorb the ACA penalties will have to restrict their employees to no more than 29 hours per week to ensure their workers are considered part-time under the ACA. A survey that NAHC concluded in December 2014 showed that the employer mandate would weaken patient access to care, reduce wages and working hours of home care staff, and require home care companies to restructure their operations to rely on part-time caregivers. Home care companies that primarily provide Medicaid services and those that service private pay personal care clients were most susceptible to these adverse outcomes as Medicaid funding is already stretched and seniors on limited incomes are unable to spend more on home care.

Our survey showed:

1. 82.54% of home care and hospice companies do not provide health insurance to all of their employees because of reliance on government program payments and service to individuals with limited incomes
2. 46.2% of those companies face a financial penalty under the employer mandate ranging as high as \$4.5 million
3. 73.3% of the companies would reduce the working hours of employees to under 30 per week in order to avoid the cost of health insurance or financial penalties that they cannot afford
4. 22.16% of the businesses expect to close because of the financial penalties
5. 83.2% of the companies expect that access to home care in their community would be reduced with fewer providers of care, more restrictive patient admission criteria to fit a part-time workforce, and restrictions on service areas.
6. 88.46% expect that access to Medicaid home care will no longer be sufficient to meet client's needs

Home care agencies are an essential part of the network of services that our growing population of elderly and persons with disabilities rely on. The last thing we need is an obstacle to helping them grow and create much needed jobs. Simple common sense solutions are often the best answers to complex problems. As far as most people are concerned 40 hours a week equates with full time employment.

Thank you for offering this important legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "Val J. Halamandaris". The signature is fluid and cursive, with a long horizontal stroke at the end.

Val J. Halamandaris
President
National Association for Home Care & Hospice