HF3780/SF3928

Shared Services Wage Pass-Through

SEIU Healthcare MN & IA

Background

In the PCA/CFSS programs, Minnesota has a higher Shared Services rate for clients who agree to have one worker serve multiple clients at the same time. When two clients share a PCA they get a 150% rate and when three clients share a worker they get a 200% rate. This saves the state money because they don't have to pay for more hours, but it provides the clients additional pooled resources.

Problem:

In the past, it was the industry standard practice to recognize the additional work of the PCA by paying a premium of close to time-and-a-half for two clients and double-time to three clients. But with recent wage increases in the industry, driven by the SEIU homecare contract, some providers and financial management services (FMS's) have drastically cut back on the wage premium. It turns out that there is no effective requirement in rule or law that some of the premium rate paid to providers and FMS's get passed on to workers.

Solution:

HF3780/SF3928 borrows from the wage pass through that is part of the current Enhanced PCA/CFSS rate. In statute, clients who qualify for more than 10 hours of services get a 12.5% higher rate. The statute requires 100% of the increase to be passed on to workers. The current bill does not foresee a 100% pass through, because it recognizes that Shared Services impose extra administrative duties on providers and FMS's. Working with DHS and provider groups we hope to work out a percentage that approximates time-and-a-half and double-time wages.