

**FREEDOM**  
We give you the peace of mind knowing your loved ones are our priority.

**HR 1257 House Study Committee on the Workforce Shortage and Crisis in Home & Community-Based Settings**

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- CareMaster 101
  - We Have A Wide, Multi-State View Of The Caregiver & Nurse Labor Market
- An Expanding Economy Has Brought Workforce Challenges
- We Are Facing A Perfect Storm
  - Workforce Shortages
  - Hourly Pay Is Increasing
  - A Long-Term, Growing Demand For Home & Community-Based Services
- Solutions Are Available
  - A Medicaid Reimbursement Rate Increase Is Needed To Offset Wage Pressures
  - Improvements In The Medicaid Service Delivery Strategy Can Create Savings
  - Moving Home Care to Real Time Care Will Add Additional Benefits
- We Must Advocate For Home & Community-Based Services
  - >90% Of Georgians Want To Age In Their Homes

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## CareMaster 101

- History
  - Founded in May, 1986 As a **Clinical-Based Provider**
    - Toni Grogan, RN, CCRN, BSN, CCM, CWCP
    - Eddie Grogan, RPh., BCNSF
  - Professional Registered Nursing Pool
    - Supplemental RN Staffing Throughout Georgia
  - In the Early 1990's CareMaster Medical Services Was Born To Respond to the Evolving Home Care Needs of Georgians
    - PRN Pool, Inc. dba CareMaster Medical Services
  - A Privately Owned, Non-Franchise Provider
  - Sister Companies
    - Eternal Hope Health Care Offering Hospice & Palliative Care
    - Personnel Options, A Light Industrial Staffing Service

32-Year  
Anniversary  
In May

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### Where Is CareMaster?



- CareMaster Is A Georgia Licensed, Statewide Private Home Care Provider
- Licensed In All 159 Georgia Counties
  - License No. 126-R-0002
- Providing Medicaid & Private Duty (PD) Services
  - Medicaid Waiver Program Provider For CCSP, SOURCE & ICWP
  - Private Duty
    - Catastrophic Care Specializing In Spinal Cord Injuries & Traumatic Brain Injuries
- Alabama Private Duty
  - Provider Since 2010
- South Carolina In-Home Provider
  - Provider Since February, 2018

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### Our Labor Market Has Seen Dramatic Changes

(Excerpt From Friday, October 5's USDOL Weekly Bulletin)

- The U. S. & Georgia Have Been Blessed With A Strong Economy
- Business & Industry Have Expanded, Adding Jobs & Creating New Jobs.
- The Labor Market Has Tightened For Most Business & Industry
  - Shortages In Key Segments
  - Increased Competition For Those Available To Work
  - Part-Time Workers Have Moved To Full-Time Positions





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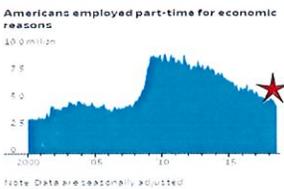
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### Our Labor Market Has Seen Dramatic Changes

(Excerpt From September 29<sup>th</sup> Wall Street Journal)

- Caregivers Generally Are Hired As PRN (As Needed) Employees
- Typical CareMaster Caregiver Hours
  - >500 Caregivers Employed
  - Approximately 25% Of Caregiver Staff Work >30 Hours Weekly
  - Remaining Caregivers Generally Work 15-25 Hours Weekly
  - For Medicaid Clients, Our Services Average 18.3 Hours/Week
  - As Geography & Service Hours Allow, Caregivers Work With Multiple Clients
- With Employment Up, Part-Time Workers Are Moving To Full-Time Positions



Note: Data are seasonally adjusted. Source: Labor Department

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**Labor Market Confirmation: Fed Chairman Jerome Powell, "Unemployment Is low, the number of people working is rising steadily and wages are up"**  
(October 3<sup>rd</sup> News Conference)

- CareMaster Has Experienced Wage Inflation For Medicaid Caregivers:
  - 2016 +2.0%
  - 2017 +5.6%
  - 2018 YTD +4.5%
- For CareMaster, Medicaid Average Reimbursement For 2018 YTD Is \$18.46/Hour
  - At 60% COGS & 14% Payroll Burden, Labor Cost Target Is \$9.72/Hour
  - \$10.21/Hour Payroll Average

**Wages by Industry**  
Wages in selected industries rose more than in others last year

Industry	Average hourly earnings	Change from a year earlier
All private workers	\$14.67	+3%
Information	\$14.71	+3%
Financial	\$13.03	+4%
Mining and logging	\$12.87	+5%
Retail trade	\$12.47	+4%
Construction	\$12.29	+3%
Professional services	\$12.01	+3%
Leisure and hospitality	\$11.56	+2%
Education and health	\$11.21	+2%
Transportation and warehousing	\$11.17	+2%
Manufacturing	\$10.24	+1%

Source: Bureau of Economic Analysis

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### Labor Market Changes: Where Do We Compete For Our Employees?

- According To The Business Insider, US Job Openings Were Higher In July Than Last July:
  - 757,000 Jobs In Retail (+100,000)
  - 909,000 Jobs In Fast Food (+161,000)
- The Fast Food Industry Combats Workforce Shortages Uniquely:
  - Ordering Kiosks Inside Stores
  - Smartphone Apps Allowing Pick-Up
- Retail & Fast Food Can Increase The Price Of Their Products
- HCBS Provider Rates Are Typically Set By Most Payor Sources




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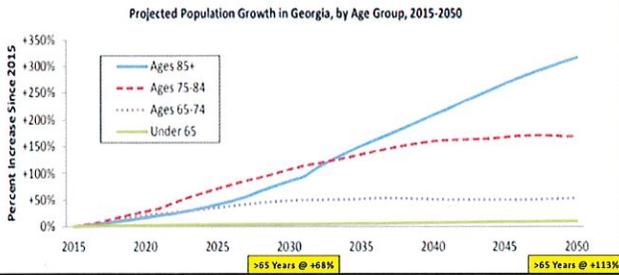
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### HCBS Workforce Shortages Have Another Driver

Source: AARP Public Policy Institute, Across The States 2018 Report




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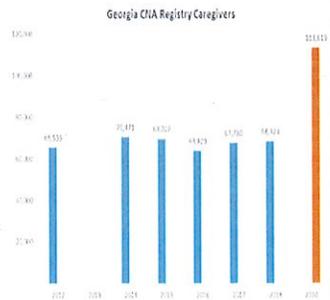
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### Can Caregiver Availability Match the Need?

- The Georgia CNA Registry Has Experienced Modest Growth In The 2012 – 2018 Timeframe
- Georgia's Population Subject To Needing HCBS Is Significant:
  - >65 Year Seniors 1.305 Million
  - <65 Year Disabled 0.698
  - Total HCBS Potential 2.003 Million
  - Represents 19.6% Of All Georgians
  - 29.3 Georgians/Registry Caregiver
- By 2030, Georgia's >65 Year Population Is Expected To Grow To 2.197 Million, A 68% Increase
- Can Our Registry Caregiver Availability Keep Pace?




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CareMaster Has A Challenge (And We Are Not Alone!)

- Rural Georgia Services Are Challenging
  - Counties With Single Clients Create Issues For All Providers
    - Client Location May Require Usually Long Caregiver Travel
    - Client Hours Generally Insufficient To Keep Caregiver Staff Fully Engaged
    - Back-Up Staff Problematic With No Other Work Available Nearby
    - High Caregiver Staff Turnover
    - Client's Continuity Of Care Suffers
  - We Have Rural County Problems
    - There Is A Solution
  - Group Rural County Clients By Location
    - Group Clients By Hours & Geography
    - Drive Caregivers To 30-40 Hours Work Weeks
    - Pay Drive Time
    - Client Care Improves As Turnover Is Reduced




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CareMaster Believes That There Are Multiple Solutions

- Caregiver Training Needs An Update
  - Review The State Curriculum For CNA Training
    - Emphasize Soft Skills
  - Create An Incentive For In-House Training
    - CareMaster Experience Shows Reduced Turnover
    - Consider Tax Incentives & Grants For Training PRN Staff
  - Direct GADOL Offices To Target Caregivers & Job Openings
- Continue To Drive Home Care To Real Time Care
  - Electronic Visit Verification (EVV) Is A Great Start
    - Assure Services Are Rendered In The Residence
  - Fund Assistive Technology & Wearables To Generate Client Data
    - Manage The Data To Generate Positive Outcomes
      - E.g. Gait Analysis To Predict Falls So That Preventive Steps Can Be Engaged

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Caregiver Pay Rates Have A Wide Impact

- CareMaster Is Blessed To Have Many Caring & Dedicated Caregivers That Go Above & Beyond In Caring For Clients:
  - Check On Clients During Non-Work Hours
  - Bring Food On When Needed
- But Our Caregivers Face Decisions To Care For Themselves & Their Families Too
  - Many Qualify For Public Assistance
  - Many Are Forced To Look For Higher-Paying Opportunities
- Our Industry Cannot Continue To Lose Those With A True Caregivers Heart




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**And Please Remember That HCBS Providers Have Been Facing Other Real Cost Drivers (September 11<sup>th</sup> Testimony)**

- **We Have Already Absorbed Significant Unfunded Mandates**
  - Affordable Care Act (ACA) Passage In 2010
    - Now Offering Coverage To All PRN Staff >30 Hours/Week
    - Premiums & Deductibles Driven Higher Impacting Everyone Covered
    - 2019 Renewal Quoted At +32%
  - Loss Of The Compassion Care Exemption To The Fair Labor Standards Act In October 2015
    - Live-In Care Now Requires Overtime For All Hours, Including Overnight Sleep Time
    - Drive Time Between Multiple Clients Is Now Compensable
- **Additional Unfunded Mandates On The Horizon**
  - Electronic Visit Verification (EVV)
  - Fingerprint Required In 2019 For All Staff & New Hires

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**CareMaster Is Not Alone Advocating For HCBS**




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**Included In Your Packet Of Information**

- AARP Public Policy Institute 2018 Profile Of Long-Term Services & Supports In Georgia
- PHI Quality Care Through Quality Jobs
  - US Home Care Workers Key Facts
- Amazon's \$15 Minimum Wage Turns Up The Heat On Home Care Providers (Home Health Care News, October 3, 2018)
- The Elderly And The Disabled Wait Desperately, Helplessly For Care That Isn't Coming (Kaiser Health News, April 23, 2017)
- The Shortage Of Home Care Workers: Worse Than You Think (Forbes, April 18, 2018)
- September 11, 2018 Testimony

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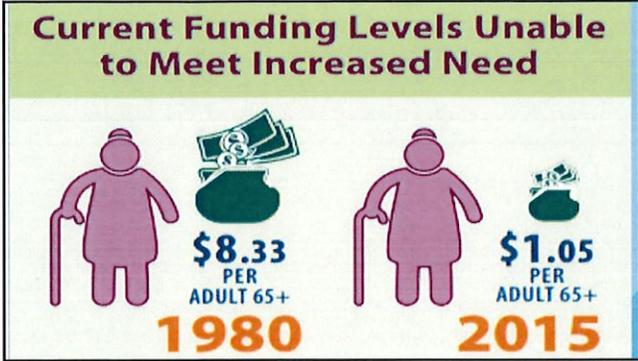
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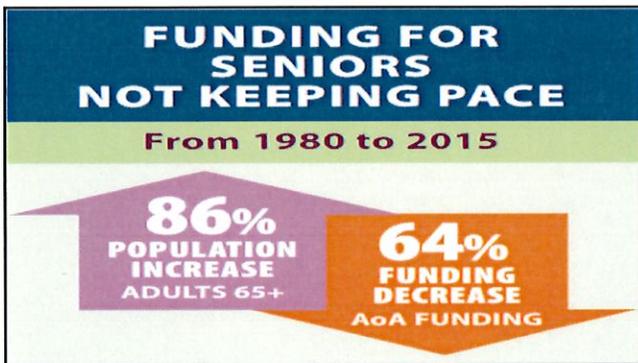
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**Thank You**

Thanks For Your Participation In The HR 1257 House Study Committee On The Workforce Shortage And Crisis In Home & Community-Based Settings

**CareMaster**  
Medical  Services

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