

## Iowa's Direct-Care Workers Lack Health Insurance

In the United States, over 44 million people, one out of every six adults, lacked health insurance at some point during 2003.<sup>i</sup> But for direct care workers - certified nursing assistants, home health aides, home care workers and personal care aides who provide long-term care to our nation's elderly and disabled - the rate is even higher. **Nationally, about 25 percent of all nursing home aides lack health insurance<sup>ii</sup> and 40 to 45 percent of home care aides lack health insurance.<sup>iii</sup>**

Iowa fares better than the nation as a whole in terms of health care coverage for its citizens:

- 14% of working aged Iowans have no health care coverage
- 189,360 people (10.7 percent of Iowa's general population) lack health insurance

**And still, Iowa's rate of uninsured nursing home aides mirrors the national average. One in four - 25 percent - of Iowa's CNAs report that they are not currently covered by health insurance of any kind.** Moreover, 12 percent of CNAs rely on the state's Medicaid and Hawk-I programs for health care coverage.

Direct-care workers often fall into multiple groups with disproportionately low rates of insurance access:

- Low-wage workers;
- Workers in service occupations;
- Part-time workers; and
- Minorities or foreign-born individuals;

While 80 percent of nursing homes and home health care providers in Iowa offer health insurance, these benefits remain out of reach for many direct care workers.

- **Only 50 percent of CNAs and 64 percent of home care workers currently enroll in their company's health plan offered in Iowa.**
- CNAs most often cite the high cost of participating and lack of eligibility for not enrolling in their employer's health insurance plan.<sup>iv</sup>

### **Eligibility for employer-based coverage:**

- **High turnover rates:** In 2002, 60.7 percent of Iowa's CNAs left a job in an Iowa nursing home.<sup>v</sup> Workers often leave jobs for a variety of reasons before they are eligible for health care benefits.
- **Waiting periods:** Employers often require six months of continuous employment before workers become eligible for health care coverage. Home health aides and personal care assistants must often work for multiple employers to work full-time hours; making continuous employment with any one employer even more difficult.<sup>vi</sup>
- **Part-time employment:** Employers typically offer insurance only to full-time employees. **Only 68 percent of Iowa's CNAs and 50 percent of Iowa's home care workers have full-time direct care jobs.**

(over)

**Lack of insurance affects not only the workers but their employers and the clients they serve.**

- Low-wages, lack of access to health insurance and other causes force many direct-care workers to leave the profession. The cost of direct-care worker turnover to employers and taxpayers is \$3,500 per employee.<sup>vii</sup> Turnover costs the Iowa Medicaid program and employers millions of dollars annually.
- **The cost of direct-care worker turnover to residents and clients is the lack of continuity in care which undermines their quality of care.**
- Without health insurance, workers do not receive preventative health care or timely care for injuries or illnesses. As a result, these workers miss work more often, which affects the quality of care received by their clients.
- According to the U.S. Department of Labor's latest injury statistics, in 2002, **CNAs experienced 79,000 on-the-job injuries** severe enough to cause them to miss work. Only truck drivers endured more. These high rates of injury highlight direct care workers' need for health insurance. But it is this very need for healthcare services that increases the cost of health insurance premiums in the long-term care sector making this insurance that much more difficult for these workers to afford.

Direct care workers in Iowa provide the vast majority (70 to 80 percent) of hands-on care to people who are elderly, chronically ill, or living with disabilities and using long-term care supports.<sup>viii</sup> Ironically, over 25 percent of Iowa's direct care workers have no health care coverage to meet their own health care needs. For these workers and for the people they serve, Iowa's policymakers should explore creative options for covering this critical workforce.

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<sup>i</sup> **Income, Poverty, and Health Insurance Coverage in the United States: 2003.** DeNavas-Walt, Bernadette D. Proctor, and Robert J. Mills. August 2004. U.S. Census Bureau.

<sup>ii</sup> **Health insurance coverage for direct-care workers: Riding out the storm.** Lipson, Debra and Carol Regan. March 2004. , Vol. 1 No. 3. Institute for the Future of Aging Services (IFAS).

<sup>iii</sup> **Profile of home care aides, nursing home aides and hospital aides: Historical changes and data recommendations.** Yamada, Yoshiko. 2002. *The Gerontologist*, Vol. 42, No. 2; **No care for the caregivers: Declining health insurance coverage for health care personnel and their children, 1988-1998.** Brady, G.S., A.B. Case, David U. Himmelstein, and Steffie Woolhandler. March 2002. *American Journal of Public Health*, Vol. 92, No. 3.; **Providing health insurance to home care workers in Los Angeles County.** Cousineau, Michael R. June 2000. California HealthCare Foundation.

<sup>iv</sup> **Iowa Better Jobs/Better Care Direct Care Worker Health Insurance Feasibility Study.** Selzer & Company. November 2004. Iowa Better Jobs Better Care Coalition.

<sup>v</sup> **Results of the 2002 AHCA survey of nursing staff vacancy and turnover in nursing homes.** American Health Care Association. February 12, 2003. American Health Care Association.

<sup>vi</sup> **Health insurance coverage for direct-care workers: Riding out the storm.** Lipson, Debra and Carol Regan. March 2004. , Vol. 1 No. 3. Institute for the Future of Aging Services (IFAS).

<sup>vii</sup> **The cost of frontline turnover in long-term care.** Seavey, Dorie. October 2004. Better Jobs Better Care

<sup>viii</sup> **Who are direct-care workers?** National Clearinghouse on the Direct Care Workforce. September 2004. Paraprofessional Healthcare Institute.