



Iowa Helping Community Policy Group

Advancing federal and state policies that value and support those in the helping communities – paid and unpaid – in their vital roles.

Direct Care Workforce Plans and Proposals from the White House and Congress

White House

During the Presidential election, the Biden-Harris campaign issued a “Plan for a 21st Century Caregiving and Education Workforce” that included \$400 billion over ten years for direct care workers and \$375 billion over ten years for child care. The American Rescue Plan Act (ARPA) initiated investments in the direct care workforce through providing states increased federal financial participation (FFP) under Medicaid for home and community-based services, as part of COVID-19 recovery.

The White then issued its American Jobs Plan and its American Families Plan to provide that long-term funding and delineate its key elements. This is now designed to be part of the human services portions of the infrastructure legislation.

Excerpt from White House Fact Sheet: American Jobs Plan – Provisions on Care Economy

Solidify the infrastructure of our care economy by creating jobs and raising wages and benefits for essential home care workers. These workers – the majority of whom are women of color – have been underpaid and undervalued for too long. The President’s plan makes substantial investments in the infrastructure of our care economy, starting by creating new and better jobs for caregiving workers. His plan will provide home and community-based care for individuals who otherwise would need to wait as many as five years to get the services they badly need.

SOLIDIFY THE INFRASTRUCTURE OF OUR CARE ECONOMY BY CREATING JOBS AND RAISING WAGES AND BENEFITS FOR ESSENTIAL HOME CARE WORKERS. Even before COVID-19, our country was in the midst of a caregiving crisis. In addition to caring for children, families feel the financial burden of caring for aging relatives and family members with disabilities, and there is a financial strain for people with disabilities living independently to ensure that they are getting care in their homes. At the same time, hundreds of

thousands of people who need better care are unable to access it, even though they qualify under Medicaid. In fact, it can take years for these individuals to get the services they badly need. Aging relatives and people with disabilities deserve better. They deserve high-quality services and support that meet their unique needs and personal choices. Caregivers – who are disproportionately women of color – have been underpaid and undervalued for far too long. Wages for essential home care workers are approximately \$12 per hour, putting them among the lowest paid workers in our economy. In fact, one in six workers in this sector live in poverty.

President Biden is calling on Congress to make substantial investments in the infrastructure of care in our country. Specifically, he is calling on Congress to put \$400 billion toward expanding access to quality, affordable home- or community-based care for aging relatives and people with disabilities. These investments will help hundreds of thousands of Americans finally obtain the long-term services and support they need, while creating new jobs and offering caregiving workers a long-overdue raise, stronger benefits, and an opportunity to organize or join a union and collectively bargain. Research shows that increasing the pay of direct care workers greatly enhances workers' financial security, improves productivity, and increases the quality of care offered. Another study showed that increased pay for care workers prevented deaths, reduced the number of health violations, and lowered the cost of preventative care.

President Biden's plan will:

- Expand access to long-term care services under Medicaid. President Biden believes more people should have the opportunity to receive care at home, in a supportive community, or from a loved one. President Biden's plan will expand access to home and community-based services (HCBS) and extend the longstanding Money Follows the Person program that supports innovations in the delivery of long-term care.
- Put in place an infrastructure to create good middle-class jobs with a free and fair choice to join a union. The HCBS expansion under Medicaid can support well-paying caregiving jobs that include benefits and the ability to collectively bargain, building state infrastructure to improve the quality of services and to support workers. This will improve wages and quality of life for essential home health workers and yield significant economic benefits for low-income communities and communities of color.

Congressional Proposals

There are a number of bills which have been introduced to advance the direct care workforce and provide assistance to unpaid caregivers. These are likely to be reviewed for incorporation into Congress's actions related to the white House proposals.

The Direct Care, Advancement and Retention of Employment (CARE) Opportunity Act of 2021 (HR 2999) in the House authorizes a new \$300 million grant program to advance the direct care workforce, with an outline of how to strengthen that direct care workforce.

The Credit for Caring Act (Ernst – R, Bennet -D, Capito – R, and Warren -M) would provide a nonrefundable federal tax credit would give qualifying caregivers who work a 30 percent credit for qualified expenses they paid or incurred above \$2,000 to help offset the costs of services for family

members like home care aides, adult day care and respite care as well as home modifications like ramps and smart-home technology that make caregiving at home safer and easier.

- Assembled by the Iowa Helping Community Policy Group (www.iowahelpers.org), facebook group (Iowa Helping Community Policy Group)