

Sustainability of Idaho's Direct Care Workforce



Report highlights

February 2023

Idaho has a shortage of direct care workers that is worse than the national average because pay is capped by Medicaid rates.

33,000 older adults and people with disabilities rely on the direct care workforce to maintain a healthy and independent life in Idaho.

23,000 direct care workers help with personal care, nursing, home maintenance, counseling, transportation, and many other services.

76% of direct care workers said that higher pay was the main factor that would keep them from leaving their job when responding to our survey.

Recommendations

The Division of Medicaid should set competitive wage targets by:

- 1) using similar and competitive occupations,
- 2) adjusting rates more frequently to stay closer to targets, and
- 3) considering region-specific rates.

The Department of Health and Welfare should support current efforts to make training more accessible and develop a career ladder for direct care workers.

We reemphasize the importance of our prior recommendations to improve management capacity in the Division of Medicaid.

Is there a shortage of direct care workers?

Yes. A conservative estimate is that the state needs 3,000, or 13%, more workers. The shortage is worse in North Idaho, in counties that border Washington and Oregon, and in settings that are more reliant on Medicaid.

What is causing the shortage?

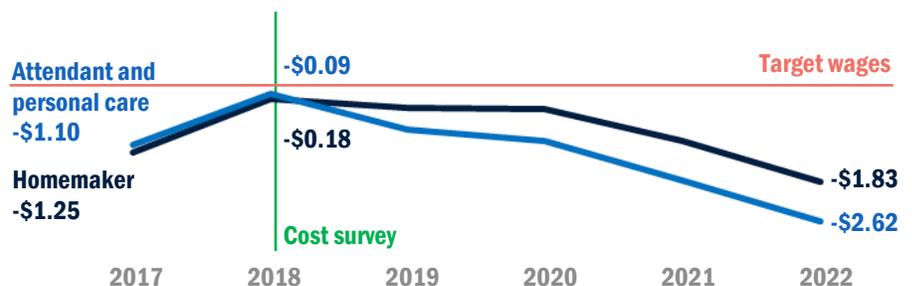
The desire to help other people is not enough to offset low pay and other workplace challenges. Direct care workers have the knowledge, skills, and ability to get a 36–39% raise by leaving the industry.

Why is this a state policy concern?

The state sets payment rates for Medicaid, which is often the main funding source for direct care businesses. Since the state funds these services and usually does not provide them directly, it relies on consumer choice to help ensure quality of care. For this model to work, people need to be able to leave their provider when they are not receiving appropriate services and support. Instead we found:

- 1) people who rely on direct care often feel that they must settle for low quality service or care provided in more expensive institutions;
- 2) businesses feel they must settle for applicants with fewer qualifications or keep poor-performing workers longer than they would like; and
- 3) workers feel they have no choice but to leave direct care because of low pay.

Hourly wages supported by Medicaid rates were often closer to target wages after a cost survey, but drifted away over time.



Note: Our full analysis of these services and others can be found on page 45 of the report.

Source: Office of Performance Evaluations' analysis of data from the Department of Health and Welfare, U.S. Bureau of Labor Statistics, and Myers and Stauffer.



View the report:
www.legislature.idaho.gov/ope/