

Rate Setting Board

May 2, 2022

9:00 a.m. – 2:40 p.m.

Zoom attendance only

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TAB 1

Consumer Directed Employer Rate Setting Board
May 2, 2022
9:00 am – 2:40 pm

Agenda

Time/Minutes	Topic	Presenter
9:00-9:05	Welcome and Introductions	Facilitator
9:05-9:10	Purpose/Meeting Overview	Chair
9:10-9:15	Approval of Minutes 04.19.22	Chair
9:15-9:30	Opening Remarks/Old Business	Chair
9:30-9:40	P&P Review and Vote	Chair
	Training	
9:40-10:10	Individual Provider Training	Training Partnership
10:10-10:15	Board Discussion	All
	Retirement	
10:15-10:40	Retirement Overview	New School for Social Research
10:40-10:50	Break	
10:50-11:40	Secure Retirement Trust (SRT) Background and Benefit Modeling	SRT/Milliman
11:40-11:50	Board Discussion	All
11:50-1:00	Lunch	
	Wage Differentials/Mileage	
1:00-1:40	Research Presentation	SEIU 775
1:40-1:50	Board Discussion	All
	Administrative Time /Other Components	
1:50-2:05	Research Presentation	SEIU 775
2:05-2:10	Board Discussion	All
2:10-2:20	Wrap-up	Chair/Facilitator
2:20-2:40	Public Comment	Chair/Facilitator
2:40	Adjourn	Chair

Please note the agenda times may vary due to the flow of the meeting conversation.

Rate Setting Board Members

Charles Reed	Chair
Adam Glickman*	Exclusive Bargaining Unit Designee
Bea Rector*	DSHS Representative
Ben Bledsoe*	CDE Representative
Robyn Williams*	Governor's Office Representative
Rep. Drew MacEwen^	House of Representatives (R)
Rep. Steve Tharinger^	House of Representatives (D)
Senator Ron Muzzall^	Senate (R)
Senator Annette Cleveland^	Senate (D)
Georgiann Dustin^	State Council on Aging Representative
Adrienne Stewart^	People with Intellectual or Developmental Disabilities Organization
Kim Conner^	People with Disabilities Organization
Eric Erickson^	Licensed Home Care Agency
Brittany Williams^	Home Care Worker

*Voting member, ^Advisory member

Rate Setting Board Meeting Schedule

March 21, 2022 9:00am – 12:00pm	Zoom
April 18, 2022 9:00am – 3:00pm	Zoom
April 19, 2022 9:00am – 3:00pm	Zoom
May 2, 2022 9:00am – 2:30pm	Zoom
May 10, 2022 10:00am – 4:00pm	Zoom and In-Person*
May 19, 2022 9:00am – 3:00pm	Zoom
June 9, 2022 9:00am – 3:00pm	Zoom and In-Person*
June 14, 2022 10:00am – 4:00pm	Zoom and In-Person*
June 22, 2022 9:00am – 3:00pm	Zoom and In-Person*

**Approved minutes from each meeting can be found at [Consumer Directed Employer Rate Setting Board | DSHS \(wa.gov\)](https://www.dshs.wa.gov/consumer-directed-employer-rate-setting-board)

*In-person meeting held at
Blake Office Park West
4450 10th AVE SE
Lacey, WA 98503
Chelan and Roosevelt rooms

TAB 2

Rate Setting Board

[Approved By-Laws](#)

[Approved Charter](#)

[Approved Policy Selecting Chairperson](#)

Approved Policy Establishing and Submitting Rates **Pending

TAB 3

Purpose/meeting overview

RSB Chair

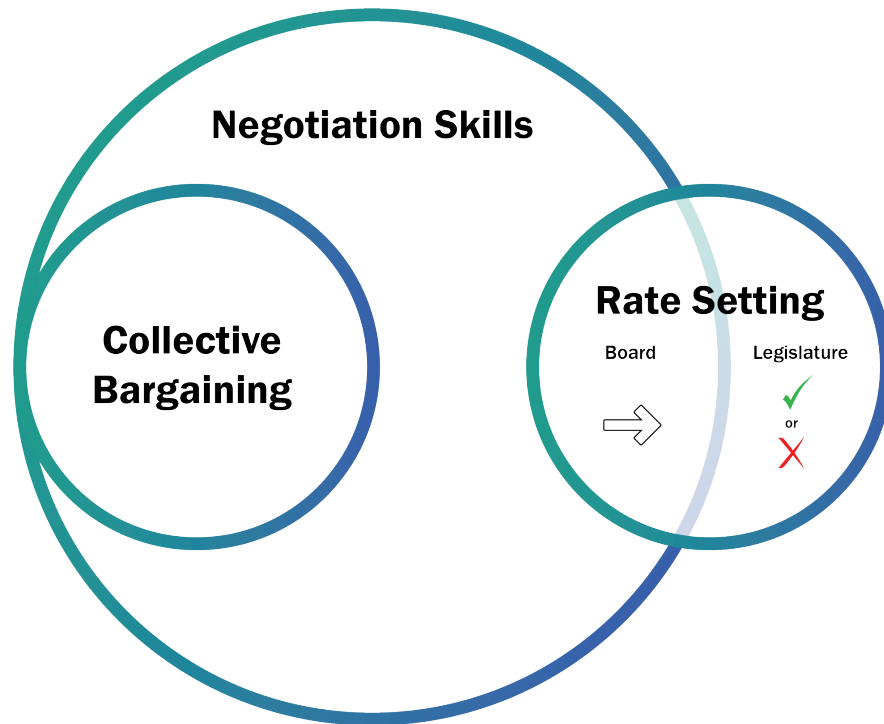
CDE Rate Setting Board

Mission Statement

The Board's mission is to determine a rational and sound rate guided by the joint goals of:

- continuing a successful self-directed care in-home program and
- promoting the growth of the individual provider (IP) workforce,
- while sustaining the Consumer Directed Employer(CDE).

Rate setting does not include collective bargaining



- **Negotiation** is the skill parties use to reach mutually acceptable agreements.
- **Collective bargaining** is rule making process that formulates the terms and conditions under which the worker's group and management, may cooperate and work together.
- **Rate Setting** is a process that a public body, with representation of stakeholders reviews, evaluates and recommends to the legislature the rate which includes a labor and an administrative component.



Ways to Foster Productive Dialog

- Listen, summarize, and ask curious questions
- Expect curious questions
- Respond, don't react
- Take deep breaths
- Be a thought partner

TAB 4



Training Partnership

Rate Setting



May 2, 2022

Confidential and proprietary
information. For SEIU 775
Benefits Group Trustees and
Employees only

Sandra C.
Caregiver, Kennewick



Agenda

- SEIU 775 Benefits Group Overview
- Who We Serve
- Training Partnership Overview
 - Training and modality types
 - Language equity
 - Support services
 - Assumptions and cost drivers



Peer Mentors
Seattle

SEIU 775 Benefits Group

An Overview

Organization Overview

Who is SEIU 775 Benefits Group?

Each organization has an independent board of governance structure. Each organization leverages employees who work for SEIU Benefits Group to execute benefits on behalf of home care workers.



Learning

Training Partnership



Health

Health Benefits Trust



Retirement

Secure Retirement Trust

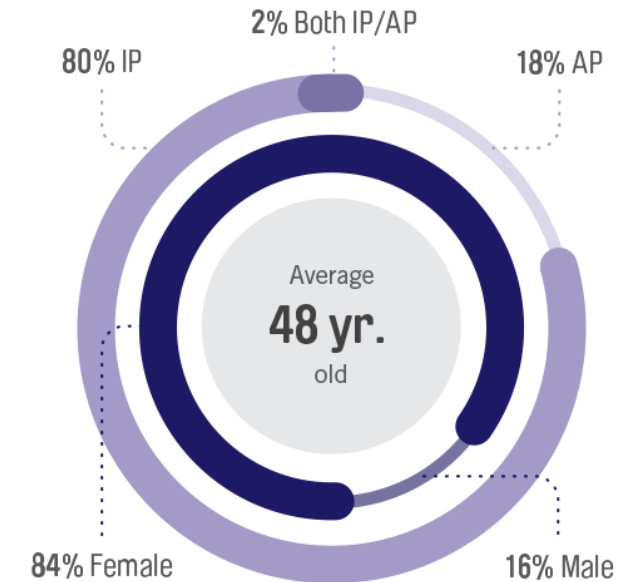
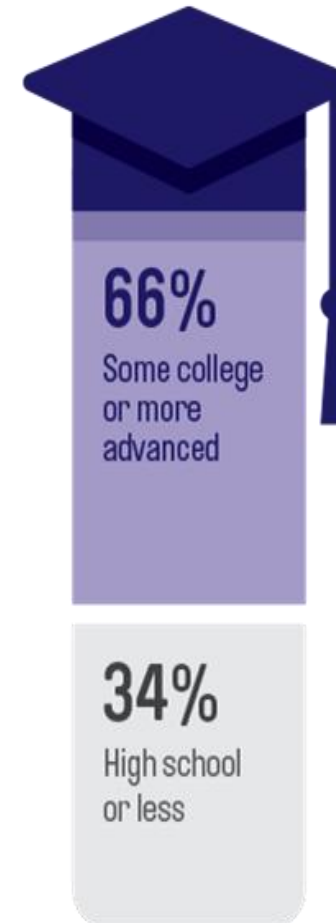
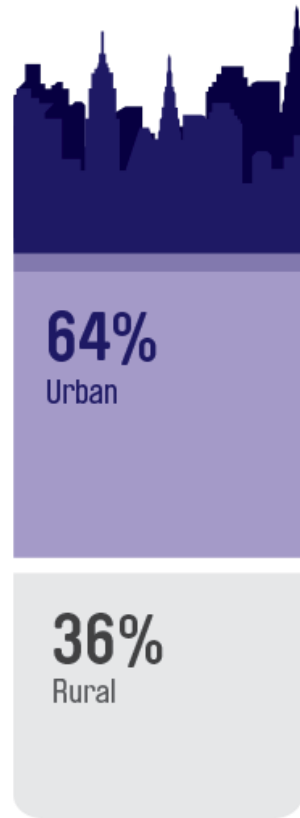


Jobs



Who We Serve

Understanding caregivers



Training Partnership Overview

SEIU 775 Benefits Group Training Partnership

- Provider of training programs for over 52,000 unionized caregivers to meet their training requirements.
- Provide training on a comprehensive set of topics with the goal of providing relevant topics for a range of client health issues.
- Provide payment from bargained funds for the certification benefit on behalf of the caregiver.
- Focus on serving and supporting caregivers with a range of language and student supports.



Shazia M.
Caregiver, Kent

Trust Governance

Labor Management Partnership



Participating employers

Addus
Amicable
Catholic Community Services
CDM
Chesterfield
Coastal CAP
Concerned Citizens
First Choice
Full Life
KWA
ResCare/All Ways Caring
SeaMar
Senior Life Resources
Washington State/CDWA

Some employers are part of OPEIU, not SEIU.



Trustee Membership

Vacant Seat, Department of Social and Health Services
Dave Budd, Catholic Community Services
Nova Gattman, Washington State Workforce Training & Education Coordinating Board
Kristin Peterson, Washington State Department of Health
Franklin Plaistowe, Washington State Office of Financial Management
Julia Weinmaster, All Ways Caring
Stacy Dym, The ARC of Washington State
Adam Glickman, SEIU 775, Chair
Andrew Beane, SEIU 775
Sterling Harders, SEIU 775
Madeline Foutch, SEIU 775
Shaine Truscott, SEIU 775
Sylvia Liang, IP Caregiver, SEIU 775



Tamra M.
Caregiver, Spokane

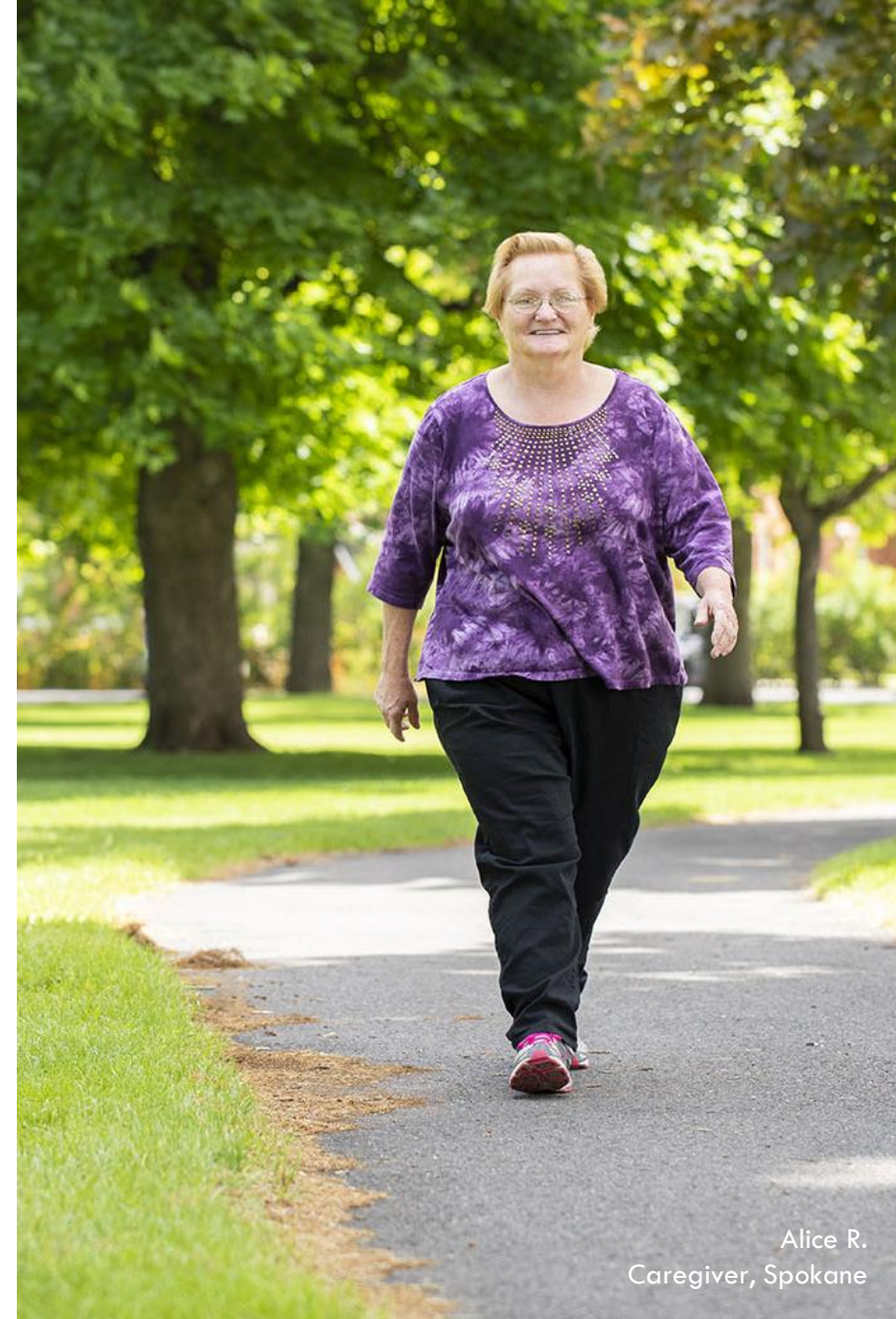
Trust Partners

State Involvement

- DSHS approves the training curriculum using the guidance in Washington Administrative Code (WAC).
- Training topics and certification skills/topics are determined by DOH.
- DOH administers the certification process for those caregivers needing formal certification.

Home Care Aide Agencies and Consumer Direct of Washington

- Hire and supervise Agency Provider (agency) and legal employer of Individual Provider (CDWA) caregivers in a client directed system.
- Track hours worked and fulfill all payroll responsibilities.
- Provide initial contact information and updated contact information for caregivers.



Alice R.
Caregiver, Spokane

TP Strategy



Improve
Workforce
Stability



Support Career
Pathways and
Professionalization



Optimize Training
Development and
Delivery



Advance Trust
Operational
Excellence

Training Modalities

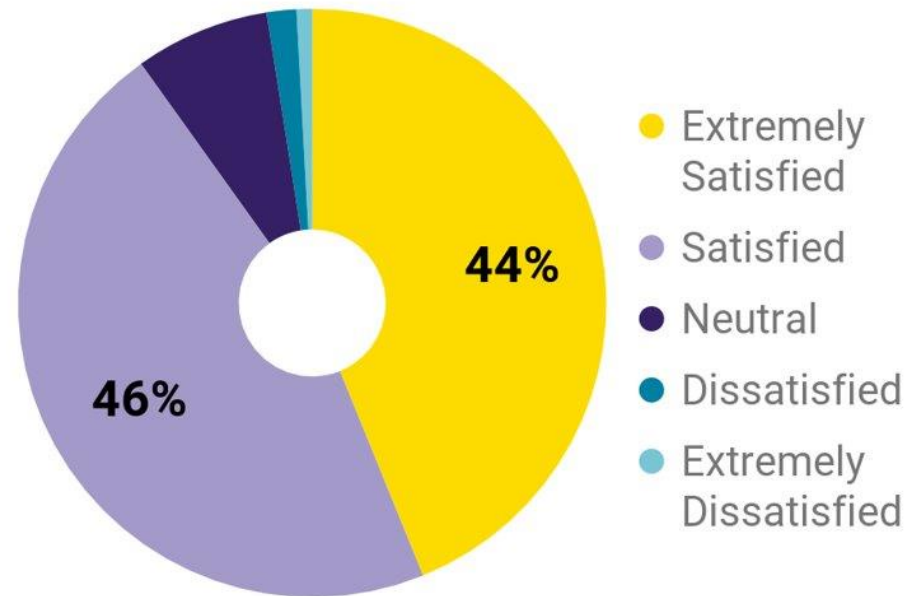
Learning Vertical	Hours	Mode
Orientation and Safety	5 hours	Fully virtual* expanding to 15 total languages.
Basic Training 7	7 hours	One hour self study; Full webinar** offered 2x a month; other options are a mix of in person and webinar.
Basic Training 9	9 hours	Fully virtual but caregivers can use in person courses if preferred.
Basic Training 30	30 hours	Mostly virtual with an in person lab and 1 hour webinar.
Basic Training 70	70 hours	Currently in person except for 21 hours offered in webinar.
Nurse Delegation	12 hours	Self study and in person test with RN.
Refresher	2 hours	In Person.
Continuing Education	12 hours	Virtual, webinar, and in person.
Advanced Home Care Aide	70 hours	Virtual and in person over eight weeks.

*Virtual = offered in an asynchronous fully online environment which caregiver can complete on their own time.

**Webinar = offered at a specific scheduled time over Zoom.

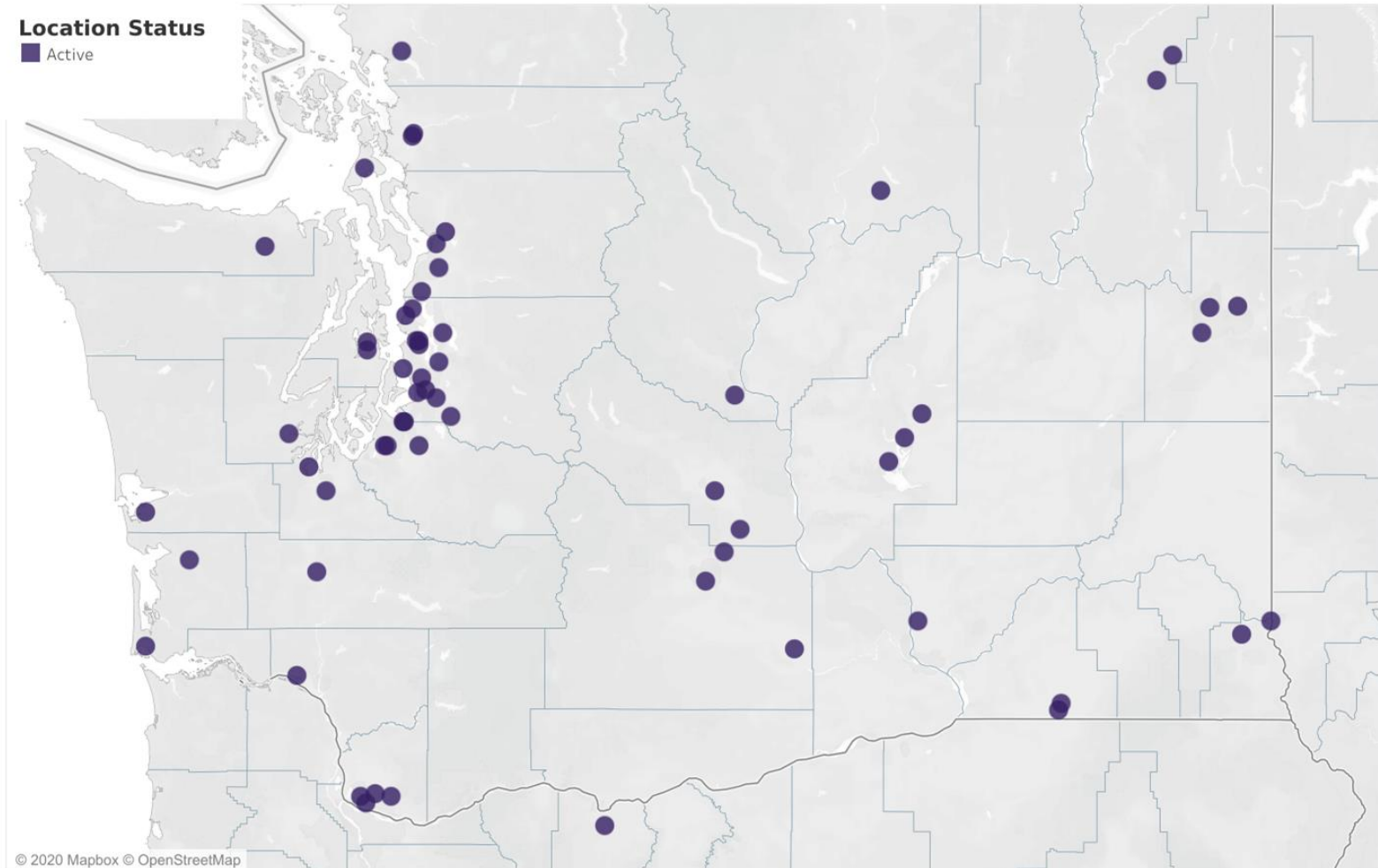
Caregivers Overwhelmingly Satisfied with Training

FY21 Overall Satisfaction



Based on after-class surveys

Training Locations



72 training locations in
41 cities spread
throughout 25 counties.

50 instructors currently
teaching.

Language Supports

The Training Partnership provides classes and materials in several languages.

Top 8 localized Languages

- Amharic
- Arabic
- Chinese
- Korean
- Russian
- Somali
- Spanish
- Vietnamese



Tyrone L.
Caregiver, Tacoma

Future Improvements to Basic Training 70

High-level project overview & goals

- BT70 is currently in its fourth product release (v4).
- Bargaining parties agreed to the redevelopment of a new version to modernize both the design and delivery of the product by integrating modern approaches for adult learning.
- The curriculum will undergo limited changes, as it is grounded in Washington Administrative Code (WAC) requirements.



Enhance Caregiver Learning Experience

- Competency-based learning to ensure learners have acquired the knowledge and skills as they progress.
- Increase skills proficiency to improve pass rates on the DOH exam and increase caregiver confidence and performance.
- Reduce cognitive load to allow more time for learners to process and practice.



Improve Workforce Stability

- New delivery model to offer scheduling opportunities.
- Group learning environment to increase course completion and satisfaction rates, and reduce training drop out.

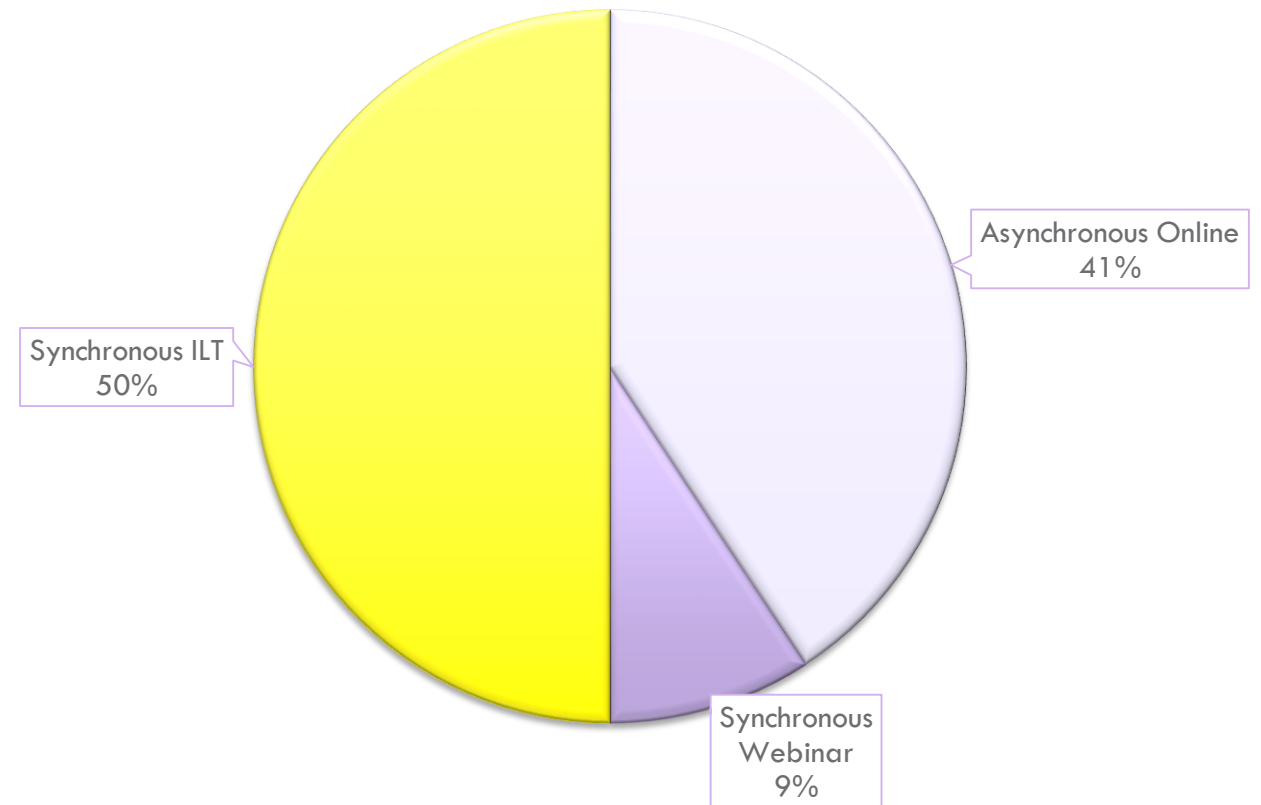
Future Improvements to BT70

Mix of modalities

What it will be:

- It will be a tri-modality combination: virtual, webinar, in-person.
- Modernizes both the design and delivery of the product by integrating modern approaches for adult learning.
- BT70v4 provides more emphasis on skills practice.

Version 4 Hours Breakdown

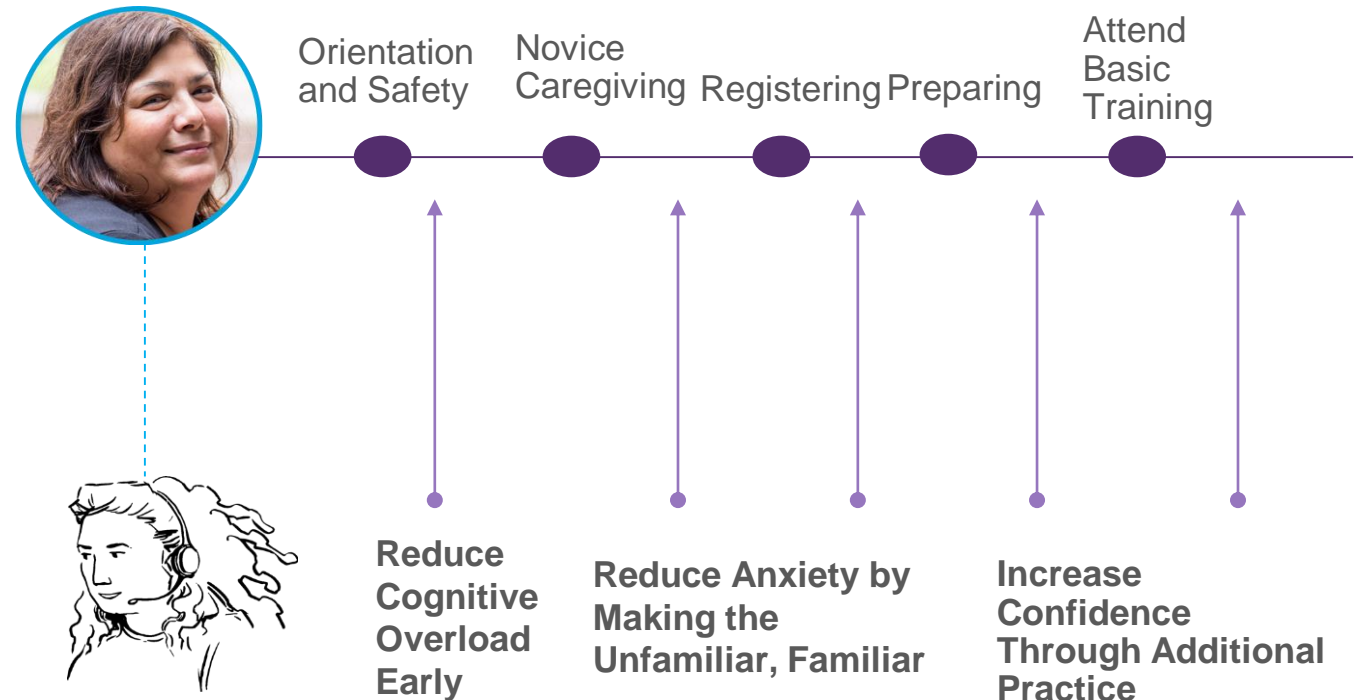


Support Services

How caregivers interact with us

- Member Resource Center is available by phone and email for support and questions.
- Peer Mentors are certified caregivers with years of experience caregiving and coaching caregivers through the certification process.
- Refresher Courses (2 Hours) offered with every BT70 section to help caregivers gain additional practice prior to exam.

Peer Mentor support goals



Baseline Assumptions

Element	Description	Assumption
Hours	Number of hours expected each year.	4.5% annual growth
Classroom Capacity	Number of students per class based on capacity.	27 for BT & AT 18 for BT30 and BT7 10 for all other
Enrollment Rate	Number of students registered per class.	95%
Attendance Rate	Actual attendance rate per class.	78%
Delivery Cost	Instructional Cost, Rent and Class Material Cost.	5% increase for FY24; 0% increase for FY25
Certification Benefit	Application fee (Department of Health) and Exam fee (Prometric).	\$85 Application fee \$137 Exam fee

Thank You

Amy Persell

Managing Director, Training Partnership
SEIU 775 Benefits Group

TAB 5

Testimony to the Washington State Consumer Directed Employer Rate Setting Board

Teresa Ghilarducci, Professor of Economics and Director of The New School's Schwartz Center for Economic Policy Analysis and Jessica Forden, Research Associate of The New School's Schwartz Center for Economic Policy Analysis

Retirement Benefits and Labor Force Dynamics

May 2, 2022

Thank you for inviting me and allowing me to testify before this innovative new rate setting board. I am Teresa Ghilarducci, the Bernard L. and Irene Schwartz Professor of Economics at the New School for Social Research in New York City and I specialize in research on retirement benefits. I have a PhD in Economics from the University of California Berkeley and have served in a variety of academic positions including at the University of Notre Dame and Harvard Law School. I have also served on the Boards of several retirement organizations including the Advisory Board of the [Pension Benefit Guaranty Corporation](#), Board of Trustees of the [State of Indiana Public Employees' Retirement Fund](#), and the [General Accounting Office's](#) Retirement Policy Advisory Panel. And I am now a trustee of the \$60B Health Care Fund for the UAW Retirees of GM, Ford, and Daimler, Chrysler, Fiat. Jessica Forden, a graduate student in Economics at The New School assisted with the report.

The mission of the Consumer Directed Employer Rate Setting Board is to set the Labor Rate and Administrative Rate for the Consumer Directed Employer and receive a Medicaid reimbursement rate to pay home care workers to provide services to low-income seniors and people with disabilities.

I understand that one key factor that the Rate Setting Board is considering is what is necessary to recruit and retain home care workers, particularly as the population ages and the demand for such caregivers increases. While I understand that this Rate Setting Board is developing an overall hourly rate of compensation for home care workers and not determining individual benefits, I also understand that one question that has been raised is the relative value and importance of benefits like retirement in the employment decisions made by low-wage workers and particularly women.

Summary

My research, and my review of the academic literature suggests clearly that retirement benefits are a key factor in employment decisions and can be a key strategy to recruit and retain low wage workers.

Workers are very sensitive and responsive to their “composition of compensation.” In union negotiations, around kitchen tables, and in initial interviews, employee benefits are a key topic of discussion. The division of total pay between cash and other benefits has been a mainstay of demands from workers (Rosen 2000).

And employers care deeply about how they divide compensation between the cash wages and employee benefits they offer their workers. Many scholars and professionals, such as University of Chicago Edward Lazear (Chair of the Council of Economic Advisers under the George W. Bush Administration), have pointed out that every employer must use their compensation options in a strategic manner to meet their employment goals (Lazear and Oyer 2007; Society for Human Resource Management 2021).

Throughout our nation's history low wage workers have demonstrated a demand not only for higher wages but for forms of income security including retirement accounts (Ghilarducci et al. 1995). Low-paid women garment workers, janitors, and coal miners, are all examples of low paid workers who, despite their very low pay, allocated a portion of their low pay to retirement security -- nickels in their retirement fund – when they had a say in how their pay was divided in collective bargaining. When workers have a chance to voice their preferences, they vote for cash pay up front and to save for retirement.

The reason employers provide retirement benefits is simple. Allocating pay towards financial security pays off in a more stable workforce and a happy workforce. In my opinion, based on decades of economic research, if personal and home health care workers in the state of Washington were offered retirement plans the state would benefit.

Retirement Benefits Reduce Turnover

First, offering retirement benefits could reduce turnover in the occupation. There is ample evidence that increasing benefits, such as providing more robust retirement plans, reduces employee turnover.

For example, a 2018 Society for Human Resources Management report on the private sector showed that companies that offered competitive benefits were able to recruit 19 percent more effectively and were 28 percent more likely to retain employees (Wessels and Robinson 2018). This effect also occurs in the public sector, where research on federal government employees shows that workers who contribute to defined contribution pension plans tend to have lower quit rates (Ippolito 2002).

Thus, there is a demonstrated relationship between deferred compensation through retirement benefits and employee retention. In fact, research shows that quit rates may indeed be more responsive to benefits than to wages.

A key and clever study in this area showing that workers with fringe benefits have lower turnover controls for the fact that stable workers are attracted to firms with fringe benefits. The effect of an additional dollar of benefits on quits is about five times that of wages. In other words, employees are five times less likely to quit in response to an increase in their benefits than due to a comparable increase in their wages (Frazis and Loewenstein 2013).

An employer's care for an employee's well-being – as evidenced by having a retirement plan – also contributes to retention. Financial education about retirement is another means which to convey this, which is included in the overall administrative cost of the proposed plan and a

benefit outside of just the fiscal benefit the SRT provides. It is an important benefit to the employer and employee because it aids in retention. For portions of the population, it is likely this would be a primary opportunity to receive retirement financial education.

Retirement Benefits Help Create Teaching Moments for Financial Literacy Efforts

The financial education literature finds that people with retirement benefits are generally more educated about and pay relatively more attention to their wealth (Lusardi and Mitchell 2014). In other words, people invest in knowledge about markets, the power of compound interest when they have “skin in the game.” Researchers found that wealth provides “teaching moment” so that “financial wellness programs” are more effective when people have wealth to manage. Of course, financial education and wellness includes debt management and counselling. Ultimately, the first step is to make sure employees know that there is a retirement benefit to begin with.

Effect on Older Workers

Second, the reduced turnover from offering retirement benefits rather than just cash compensation is especially important for older workers. This is particularly relevant to the personal and home health care workforce because they are older than the average worker (Farmand and Ghilarducci 2019; Butler 2014).

Retirement plans are a relatively more important form of compensation for older workers than wages. For example, one study conducted on the transition of teacher pensions from defined benefit to defined contribution plans suggests that the resulting exit rate for federal employees was one-third higher for those in their late 30s to early 50s under a defined contribution plan, compared to their younger colleagues who saw no increase in their quit rates (Lewis and Stoycheva 2016). A decrease in the value of retirement benefits had a stronger impact on the employment decisions of older workers.

In sum, workers highly value retirement benefits. But since retirement and health benefits generally increase with age, older workers place increasing priority on retirement options.

Retirement Adequacy Reaps Positive Benefits for the State

Third, increasing the retirement readiness of the home care workforce will have indirect societal and economic benefits for the state. Strengthening retirement benefits increases the future spending power of home health workers when they retire. This has positive effects for the economy, as increased retirement income leads to greater spending at retirement that can support growth in economic activity (Mourao and Vilela 2018).

Past research on increasing wages and benefits in care sector jobs has shown that these multiplier effects can be quite large. For example, Palladino and Mabud (2021) find that a federal

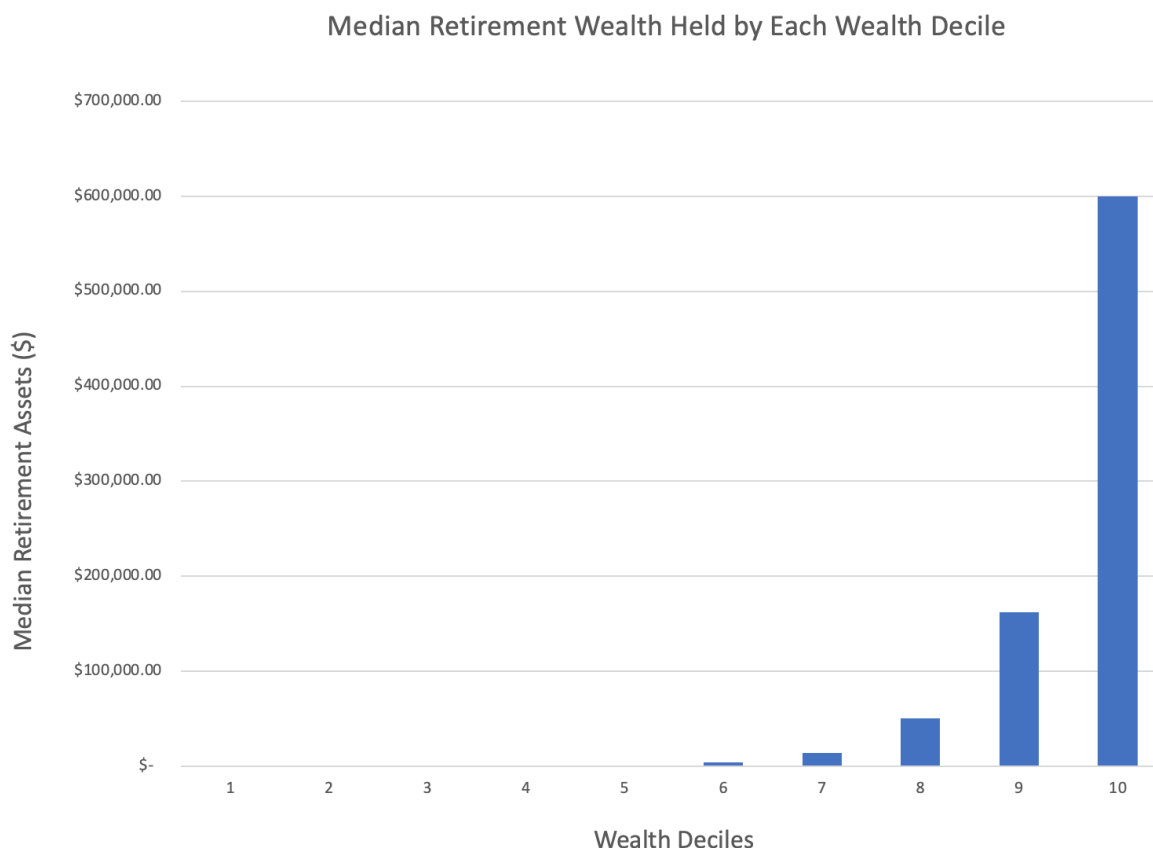
investment of \$77.5 billion in care jobs would have led to an overall increase of \$220 billion in new economic activity, almost tripling the original investment. While the investment of increasing retirement benefits for home health workers is a smaller dollar amount, the additional spending capacities of retired home health workers will likely also have multiplicative positive effects on the local economy.

Retirement Benefits Lowers Long- Term Costs to the State

Fourth, investing in retirement readiness now will likely reduce the need for services paid by the state over time. Seniors who have the financial means to support themselves adequately will be less likely to require financial assistance from the state to supplement their needs. On the flip side, when seniors lack sufficient retirement savings, the state may face high costs in providing assistance. An analysis conducted for the Pennsylvania State Treasury, in fact, found that state assistance programs cost Pennsylvania \$702 million due to insufficient elder retirement savings in 2015 (“The Impact of Insufficient Retirement” 2018). Further, given that retirement assets typically increase in value over time, the benefit of contributions for younger workers will even have compounded effects as the value of those contributions increase toward retirement age. Thus, investing in the retirement readiness of home health workers today can contribute to lower state expenditures in the future.

Retirement Benefits Helps Close Racial and Gender Wealth Gaps

Fifth, offering retirement benefits in the care sector may help to address glaring gender and racial wealth disparities. Research suggests that job-based retirement benefits are a crucial component for building wealth and reducing wealth disparities. Yet, when looking at the distribution of assets across wealth deciles, only those in the top 50 percent of the population even begin to have any retirement assets at all (Elmi and Lopez 2021).



Only those at the 6th wealth decile even begin to hold any retirement assets at all.

Source: Elmi and Lopez 2021

Wealth building programs at work are especially important for women workers. Raw estimates show that women only own 32 cents for every \$1 held by a man (Hartmann 2015). Even when taking income into account, never married women still only have 71 percent of the wealth of never married men (Kent and Ricketts 2021).

Women are also less likely than men to own almost every kind of asset, including being less likely to hold retirement accounts. And when women do hold pensions, they are still typically smaller than a man's (Jaggar 2008). This makes sense considering that women across all age and racial groups are more likely to work in part-time jobs that do not provide these kinds of benefits, including such jobs as in the care sector. On average, women are twice as likely as men to choose part-time work (Dunn 2018).

Wealth disparities also impact minority preferences for job benefits. For example, Latino workers are particularly concerned about retirement security, especially Latino women since their longevity rates are quite high (Ghilarducci, Richman, Saad-Lessler 2010). Latinas have the highest life expectancy of any other demographic in the US (88 years) and older Latinas face poverty rates three times higher than older White women with one in five Latinas over the age of 65 living in poverty. Latinas are also the least likely among women to have access to an employer-sponsored retirement plan (Brown and Oakley 2018; Hounsell 2019).

Good pension design has strict penalties for leakages, so that element is a best practice.

Retirement Benefits Provides What Cash Is Not as Good At Doing: Security

Lastly, wealth is different than income and can add substantially to a household's financial security. Wealth and income serve different roles in the financial security of households. While income allows households to meet regular everyday expenses, wealth is often relied on to accommodate unexpected shocks, such as an emergency hospital bill. Most comprehensive definitions of economic security and poverty understand the importance of wealth to households and include a wealth measure in determining overall household wellbeing (Wolff and Zacharias 2007; Headey 2008; Brandolini 2010).

Research shows that household wealth substantially affects the level and distribution of economic wellbeing when considered with income (Wolff et al. 2005). It is also the case that wealth is a more important factor in measures of life satisfaction than income, even across countries (Headey et al. 2008). Intuitively, it is often those with the least income security that also have the least wealth holdings despite being in the greatest need of financial cushioning (Irvine and Wang 2003, Ghilarducci, Radpour, and Webb 2019).

Given the demonstrated benefits to the state of Washington and the many potential positive impacts to worker financial security, I recommend that the Rate Setting Board seriously consider the value of a meaningful retirement benefit and provide adequate funding in your proposed rate for the employer and union to be able to negotiate increased retirement benefits.

Citations

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TAB 6

Secure Retirement Trust

Rate Setting Board
May 2, 2022

“When I found out that they had retirement, I was so excited... Retiring won't be so bad because of those benefits that we've never had. I think that's wonderful.”

Katherine M., Caregiver, Spokane



Shazia A.
Caregiver, Kent

Secure Retirement Trust Overview



History of Caregiver Benefits

The story

2001-2002

With home care worker wages at \$7/hour, SEIU 775 is founded via statewide ballot initiative to improve wages and benefits.

2007-2010

Training Partnership is established and begins to provide new curriculum to the WA home care workforce.

2016

The SEIU 775 Secure Retirement Plan was created – the very first and only type of plan for home care workers in the nation.

2004-2005

Health Benefits Trust is established and begins to provide quality, affordable healthcare to eligible WA home care workers.

2015

With a top wage of \$15 an hour, SEIU 775 negotiates a retirement rate for home care workers of \$0.23 an hour.

2019

New SRT Plan Design implemented, introducing immediate vesting after a 6-month eligibility period

SRT Overview

How the Secure Retirement Plan works



Retirement

90,000+ plan participants.

- The Secure Retirement Plan is the first of its kind in the nation for caregivers, providing additional financial security when they retire.
- Contributions are based on hours worked, not payroll deductions. Funding is through employer contribution only.
- SEIU 775 works through each bargaining cycle to increase the funding amount from employers per qualified hours.
- The Secure Retirement Plan is administered by Milliman.

Trust Governance

Taft-Hartley Trust governed by
Labor Management

The Secure Retirement Board of Trustees is made up of an equal number of labor and employer representatives

Ann Green	Office of Financial Management	Employer
Tracy Guerin	Department of Retirement Systems	Employer
Bea Rector	Department of Social and Health Services, HCS	Employer
Laurie Balo	All Ways Caring Homecare	Employer
Jim Lord	First Choice In-Home Care	Employer
Seth Miller	Department of Retirement Systems	Employer
David Rolf	SEIU 775	Labor
Sterling Harders	SEIU 775	Labor
Adam Glickman	SEIU 775	Labor
Andrew Beane	SEIU 775	Labor
Christine Yi	SEIU 775	Labor
Tanika Aden	Caregiver	Labor

Participating Employers

- CDWA/ State of Washington
- All Ways Caring
- Catholic Community Care
- Concerned Citizens
- Korean Women's Association
- Amicable Healthcare
- First Choice In-Home Care
- Millennia Healthcare
- Chesterfield
- Full Life Care
- Addus Healthcare



The Retirement Gap

Increased gaps in retirement preparedness
based on race and other factors

Washington State Population¹

- ~41% Washingtonians have no projected retirement income from retirement plans.
- ~56% are not able to save money each month.
- ~61% no access to workplace-based retirement plan.

Our Population

- Retirement readiness creates broad benefits to all our stakeholders.
- Generally low-income population.
- Concentration of BIPOC & LEP population.
- Active & inactive population.

1. <http://www.commerce.wa.gov/wp-content/uploads/2017/12/Commerce-Retirement-Readiness-Study-2017.pdf>

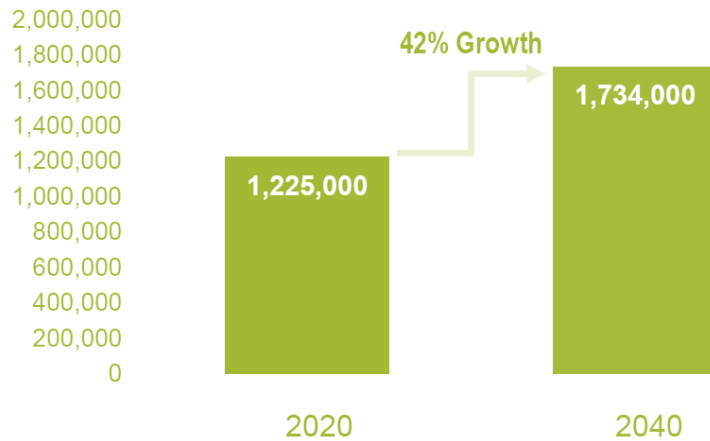


Benefits of Supporting Caregiver Retirement

Washington state benefits of expanding access to retirement savings*

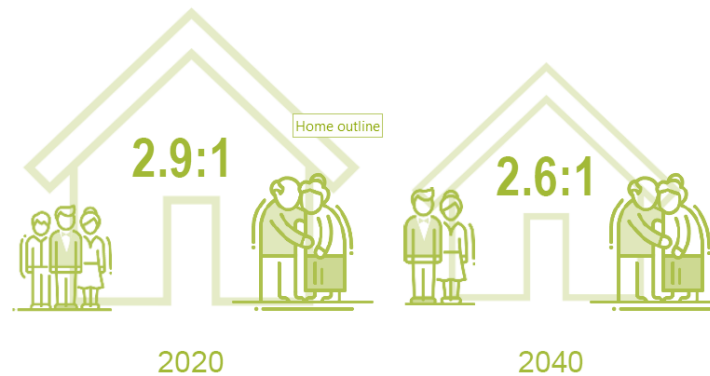
Increases in retiree incomes through retirement plans like the Secure Retirement Plan would limit the growing demand for these programs as the population ages in our State.

An Aging Population...



State Elderly Population Growth, 2020–2040
Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



State Ratio of Working Age to Elderly Households, 2020–2040
Source: ESI Analysis of UVA Population Projections



\$18,600

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

Creation of a Retirement Benefit

Formation of the Secure Retirement Trust

Startup and Plan summary

Official effective date of the Plan was March 1, 2016.

Defined contribution profit sharing plan solely funded by employer contributions.

About the Plan

As of December 2021 (unaudited):

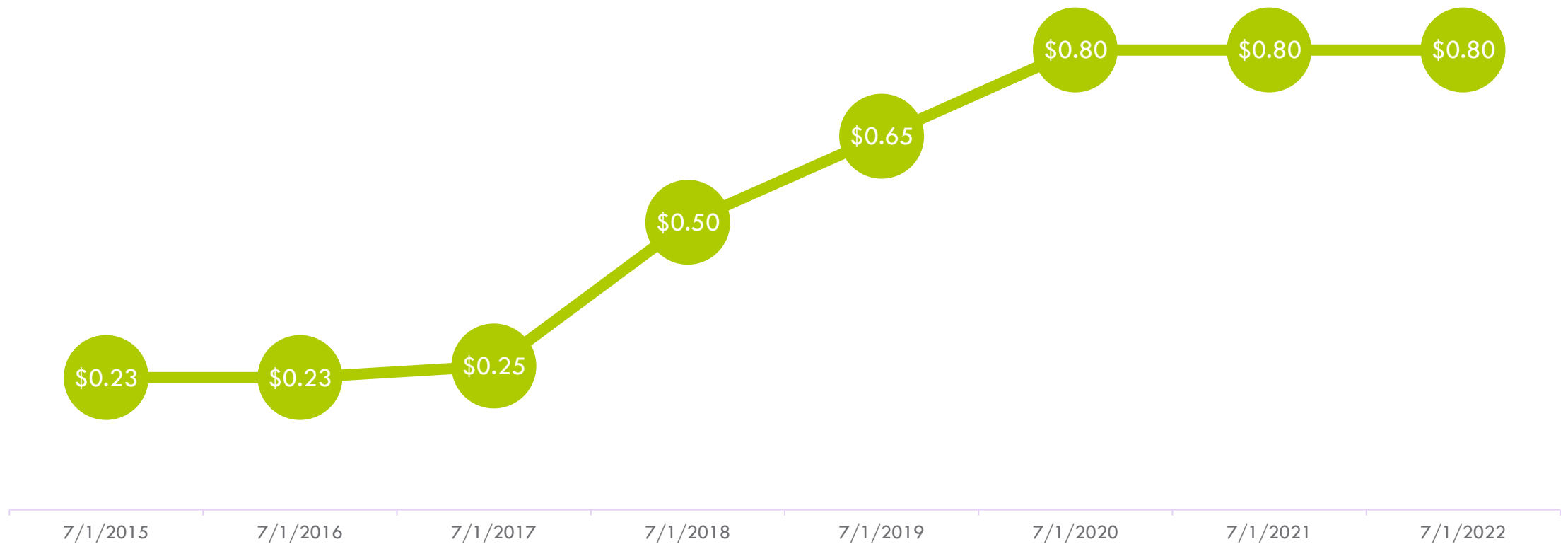
- Around 93,000 plan participants
- \$227M in plan total assets
- ~\$5.4M in total plan distributions



Contribution Rates by Year

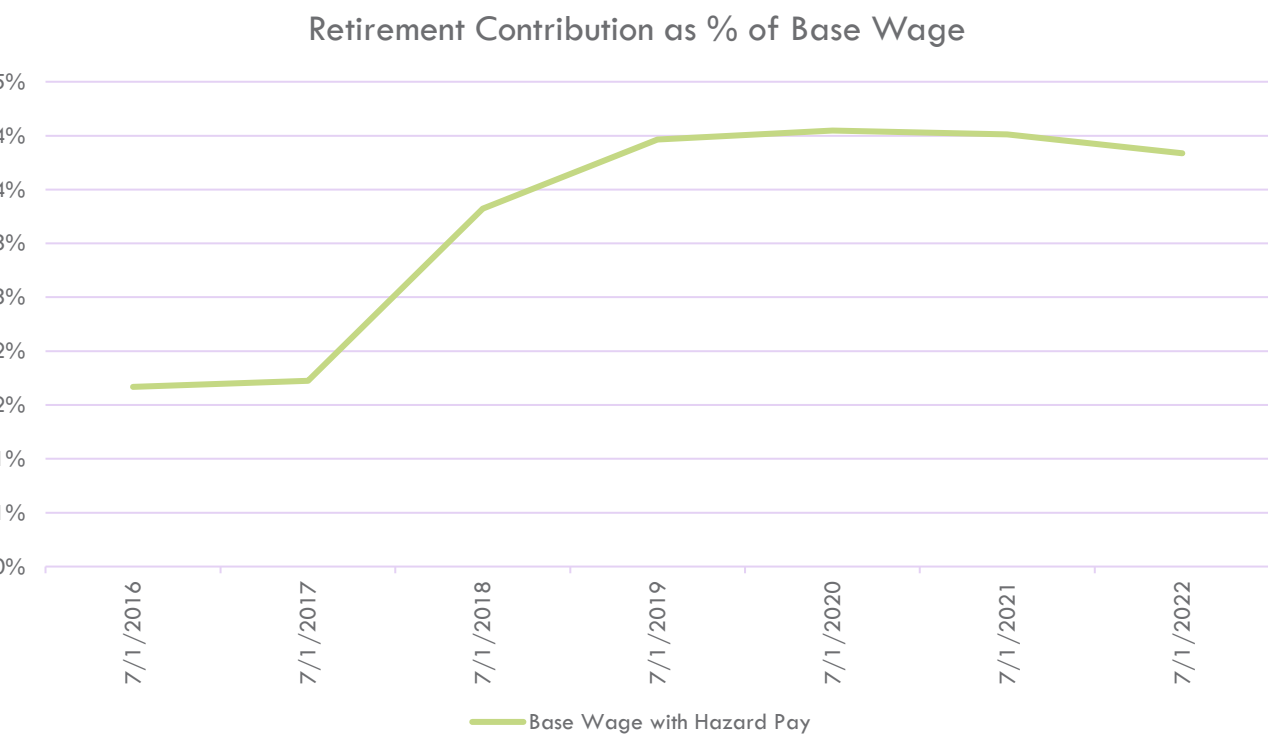
SRT contributions by year (highest)

The Retirement hourly contribution rate has remained unchanged since July 2020.



Market Comparison

SRT retirement contributions as a percentage of wages are falling



Based on 8000-10000 Step
*Includes 22-23 CBA Reopener Data

Employee contributions creep up

The 2019 survey results indicate a slight upward shift in the Annual Deferral Percentage (ADP). For Non-Highly Compensated Employees (NHCEs), the median ADP was 7.8 percent (compared to 7.2 percent in 2017), while the median ADP for Highly Compensated Employees (HCEs) was 6.2 percent (compared to 6.0 percent in 2017) (exhibit 4.1).

Exhibit 4.1. What is the Average Deferral Percentage (ADP) of the following groups?

	2015	2017	2019
All participants	N/A	N/A	7.1%
Highly Compensated Employees (HCEs)	7.0%	7.2%	7.8%
Non-Highly Compensated Employees (NHCEs)	5.9%	6.0%	6.2%

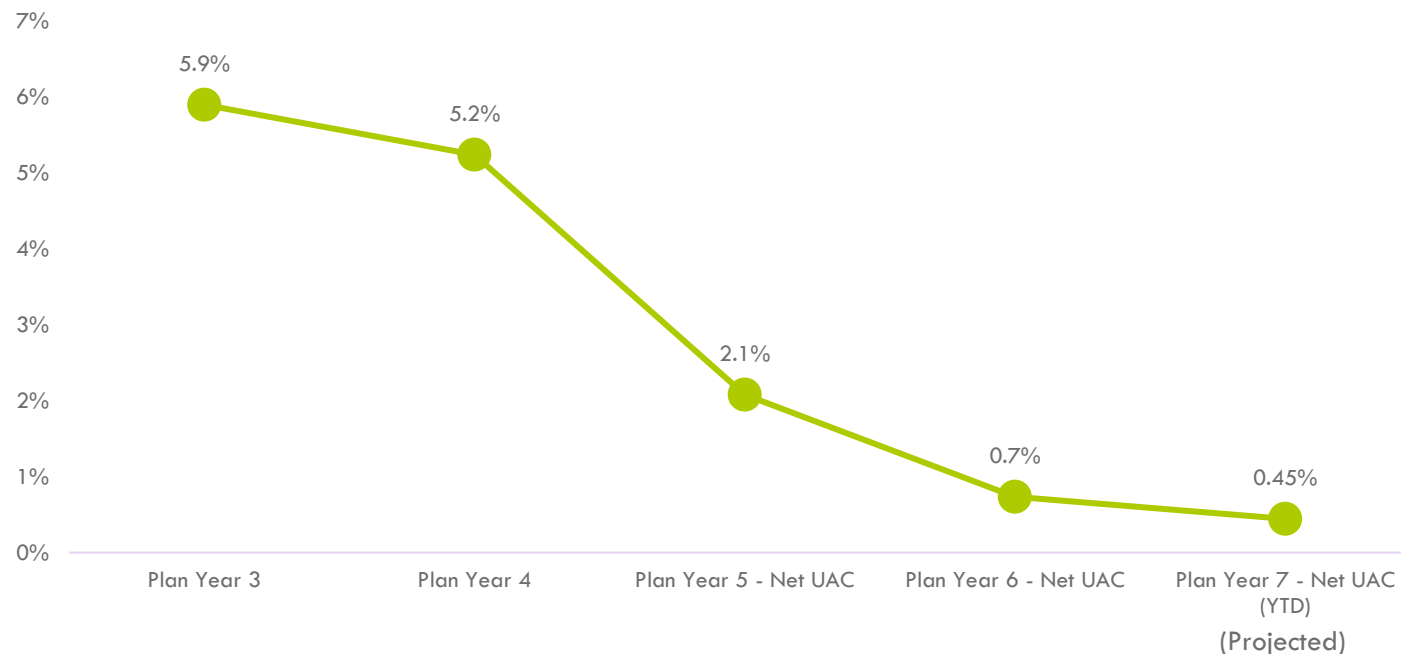
n=118

Deloitte 2019 Defined Contribution Benchmarking Survey Report

Plan Expense Snapshot

Additional contributions to primarily be used for participant accounts

Net Plan Administrative Expense Ratio (%)



Plan expenses management

- Using Plan design and efficient expense management, together with growing contributions, the plan administrative expense ratio has decreased each plan year.
- The average weighted expense ratio for defined contribution plans of 0.50%¹ is projected to be met by the SRP in FY22.
- Expense ratio expected to remain below 0.50% in FY23 and beyond.

1 - Deloitte 2019 Defined Contribution Benchmarking Survey Report

SRT Plan Requirements

SRT mitigates risk in multiple ways

- Employer only contributions
- Trustee directed investments
- Distributions allowed only for retirement age caregivers



Teresa M.
Caregiver, Spokane Valley

Caregiver Turnover in First Months

Maximizing benefits for long-term caregivers

- 1/3 of new caregivers do not make it to their 7th month of Caregiving.
- All SRT contributing hours in the first 6 months for a new caregiver made to the plan are utilized as a direct offset to plan expenses (unallocated contributions).
- Without the use of unallocated contributions as a direct plan administrative expense offset, long-term caregivers would carry the expenses for participants no longer actively contributing to the plan.



Melissa H.
Caregiver, Tacoma

Participant Career Grouping Analysis

At various modeled contribution rates

'Full Career' Provider

- Current age: 20
- Years of service: 45

IP – Parent Provider

- Current age: 50
- Years of service: 15

IP – Non-Parent Provider

- Current age: 38
- Years of service: 10

Participant Full Career Analysis

At various modeled contribution rates (illustrative)

	20-Year Payout Annual Amount (in \$)	% of Caregiver Income Annual Replacement (for 20-years)	% Career Spent as a Caregiver (Assuming 45 year Career)
Full Career Caregiver – 45 Years as a Caregiver			
\$0.80	18,100	21%	100%
\$1.50	33,900	40%	

Social Security as a component of retirement planning

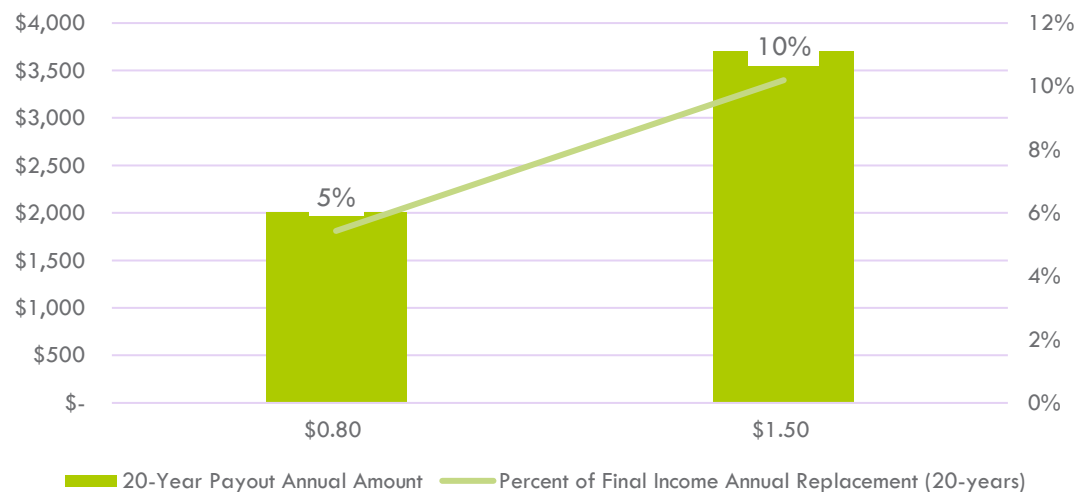
“While Social Security replaces about 40 percent of the average worker's pre-retirement earnings, most financial advisors say that you will need 70 percent or more of pre-retirement earnings to live comfortably.”

Participant Career Grouping Analysis

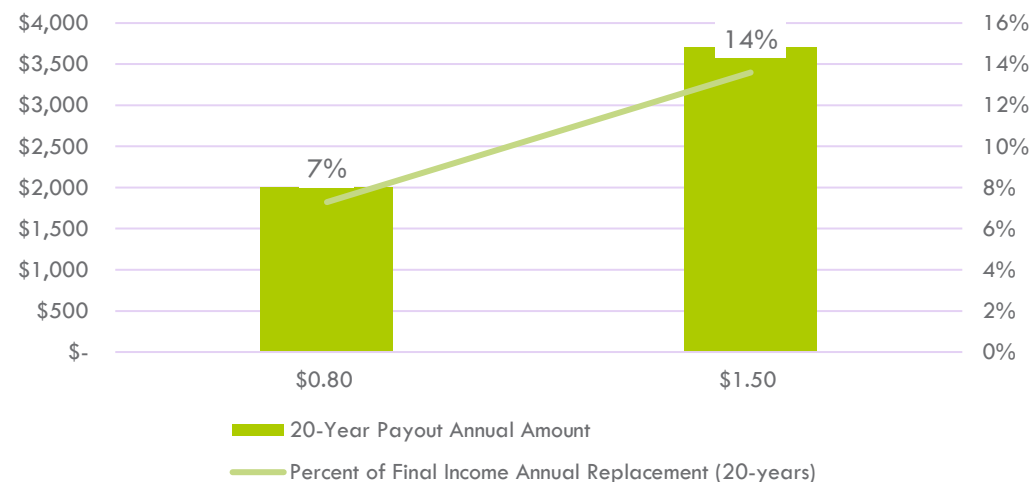
At various modeled contribution rates (illustrative)

	20-Year Payout Annual Amount (in \$)	% of Caregiver Income Annual Replacement (for 20-years)	% Career Spent as a Caregiver (Assuming 45 year Career)
IP Parent Provider – 15 years as Caregiver			
\$0.80	2,000	5%	33%
\$1.50	3,700	10%	
IP Non-Parent Provider – 10 years as Caregiver			
\$0.80	2,000	7%	22%
\$1.50	3,700	14%	

IP Parent Provider



IP Non-Parent Provider



Looking Forward

- Focus on education and services participant.
- Focus on retention and recruitment benefits.
- Focus on identifying participant retirement readiness benefits to WA.

Thank You

Josh Luskin

Managing Director, Secure Retirement
SEIU 775 Benefits Group

TAB 7

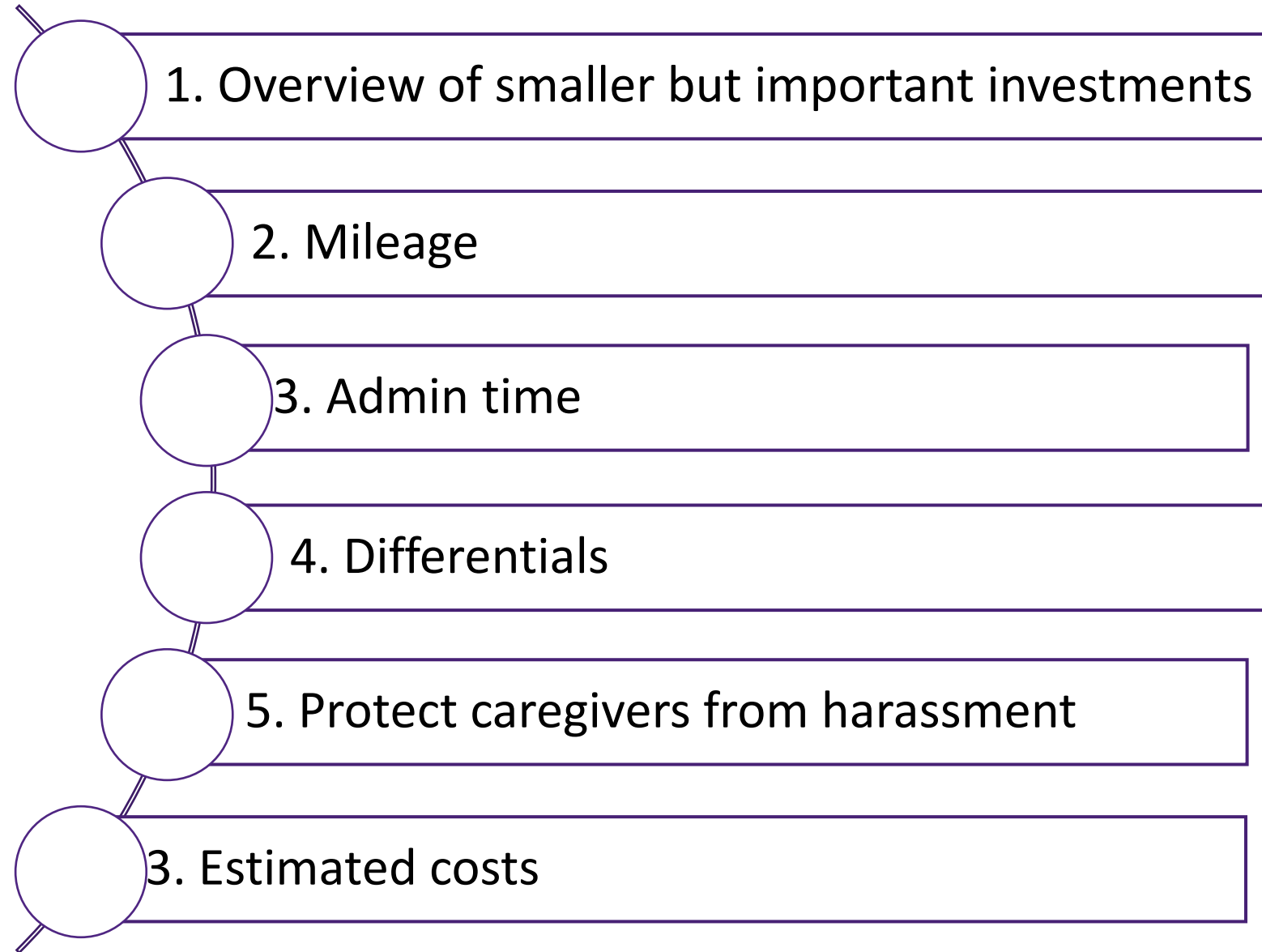
Mileage, admin time & other investments

Prepared for the Consumer Directed Rate Setting Board

May 2022

Shaine Truscott, Vice-president SEIU 775

Overview



Smaller, yet vital investments...



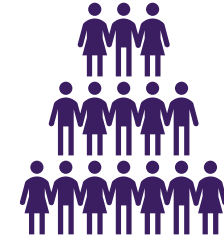
Legal
requirements



Emerging
caregiver concerns



Benefits that
need to be
updated



Workforce
interventions

A few examples...



FLSA coverage to home care
workers
(Final Rule effective January 1, 2015)



15 minutes of paid administrative time each
pay period. 1ST in the Nation achievement for
Individual Providers
(CBA 2017 – 2019)



Incentivize and reward
caregivers who care for
clients with the most acute
levels of care for training



75 cents differential for advanced training
(CBA 2019 - 2021)

A few examples (cont.)



1. Caregivers' demand
2. Recognize and address some of the system's inequities
3. Incentivize caregivers to also work as IPs



IPs career cumulative hours



Benefits that
need to be
updated



The mileage cap was last
updated in 2014

Mileage

Lucía Vázquez-Martínez, Field Director SEIU 775



Current status

- Home care workers are compensated when driving their personal vehicles to provide services to their consumers (such as essential shopping and travel to medical services).



Compensation

A per-mile-driven basis at the standard mileage rate recognized by the Internal Revenue Service up to a maximum of

100 miles per month per consumer

Source: Article 8.3 CBA 2021 - 2023

History of Mileage Cap

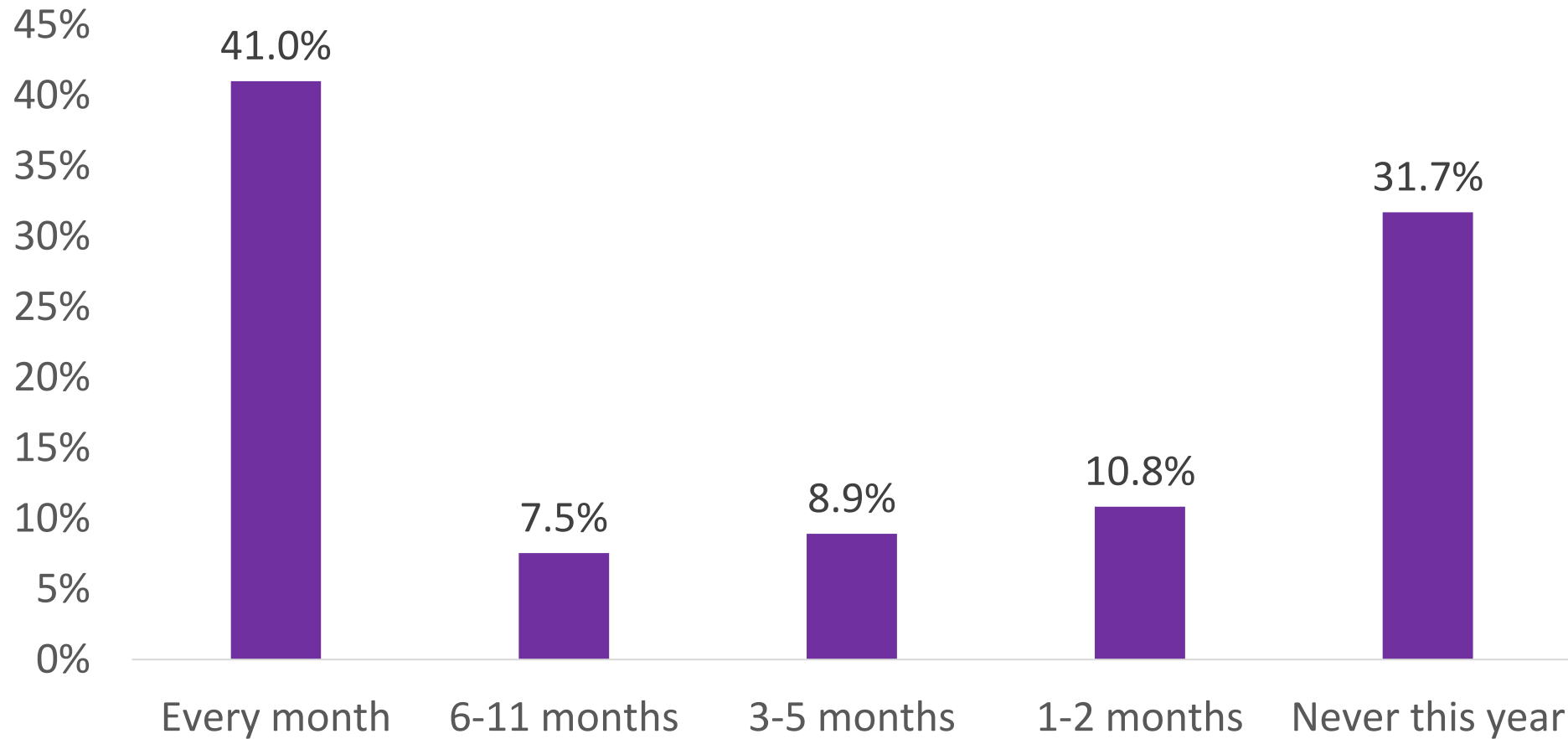
Year	Mileage Cap	Arbitrator
2008	60	Arbitrator Cavanaugh
2009	60	
2010	60	
2011	60	
2012	60	
2013	60	
2014	100	Arbitrator Skratek
2015	100	
2016	100	
2017	100	
2018	100	
2019	100	
2020	100	
2021	100	
2022	100	
2023	100	

By 2023, the mileage cap will not have
been updated in

10 years

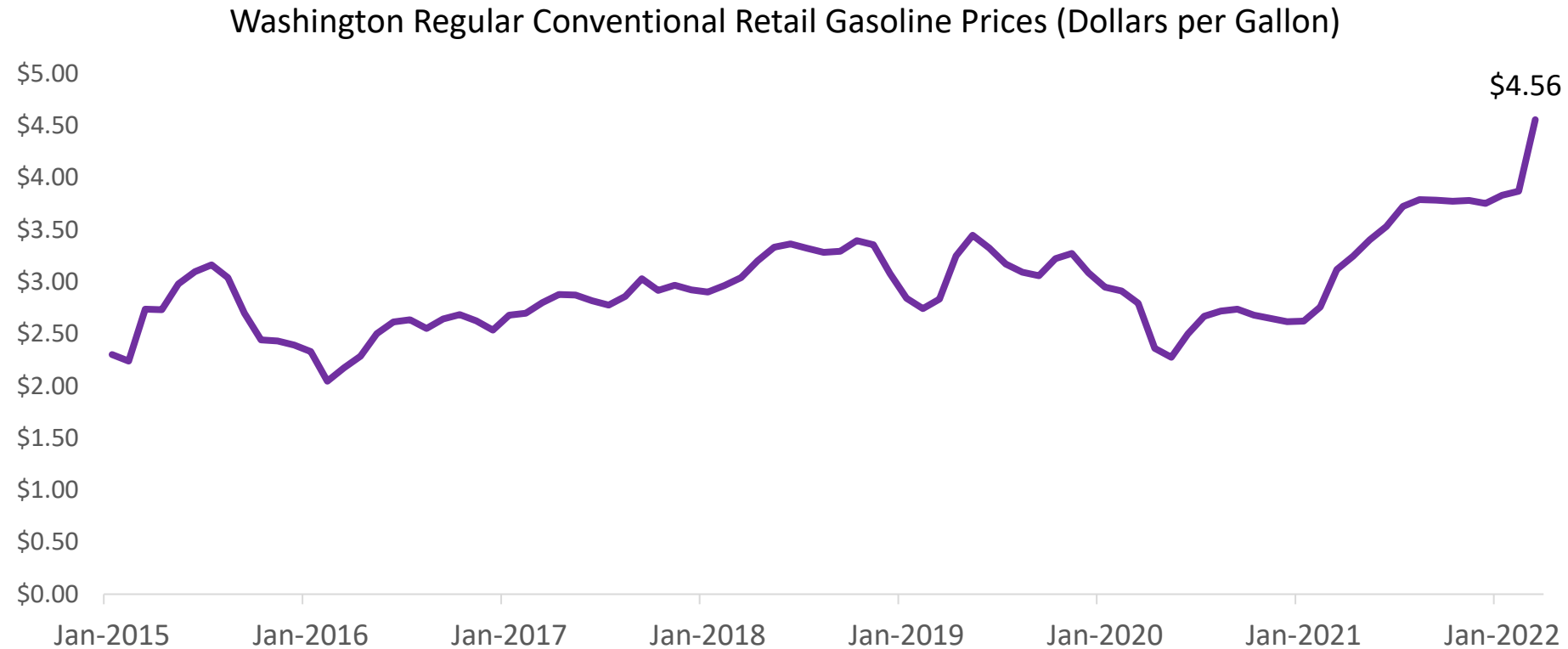
Mileage

Months of the year caregivers drove more than 100 miles for their client



Source: SEIU 775 Member survey, March 2022.

Gas prices have been increasing



Source: Own elaboration with information from U.S Energy Information administration, https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=pet&s=emm_epmru_pte_swa_dpg&f=m

Disproportionate impact on rural caregivers

Access to healthcare services

People living in rural areas have longer travel times to the nearest hospital

Average minutes of car travel time to nearest hospital by community type for ...

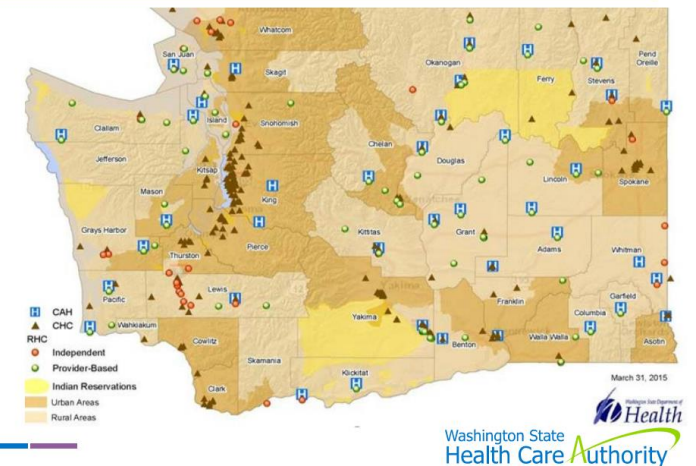


Source: Survey of U.S. adults conducted Sept. 24-Oct. 7, 2018, and Homeland Infrastructure Foundation-Level data.

PEW RESEARCH CENTER

Rural Health Providers and Health Systems

- Hospitals
 - ▶ Critical access hospitals
 - ▶ Sole community hospitals
 - ▶ Traditional hospitals
- Primary care
 - ▶ Rural health clinics
 - ▶ Federally-qualified health centers



Source: Joint Select Committee on Health Care Oversight

Disproportionate impact on rural caregivers

Access to grocery stores

Table 3
Average number of stores per county by store type

	Grocery	Convenience	Supercenter	Dollar	Specialty	# of counties
Metro	93.2	43.1	3.5	8.7	37.0	1,160
Large urban nonmetro	23.3	14.9	1.3	3.3	8.4	303
Small urban nonmetro	10.0	6.2	0.7	1.3	3.1	1,017
Rural nonmetro	4.2	2.1	0.0	0.4	0.9	627

Source: USDA, Economic Research Service, using data from National Establishment Time Series from 2015.

- Most U.S. counties with limited access to food retailers tend to be in urban nonmetro or rural nonmetro counties.

2006 Mileage Award

"I find it difficult to understand why a low-wage worker, using his or her own vehicle for transportation of a client-transportation that is specifically found necessary and authorized under an approved plan of care should be required to absorb the cost of that transportation. I am mindful that in the recent past, gas prices have occasionally spiked to near \$3.50 a gallon, and that the low points when prices do fall back to "normal" seem to be trending sharply upward."

Arbitrator Cavanaugh, p. 23

Admin time

Admin. Time – Current contract



15 minutes every **2 weeks** for
caregivers' administrative
time

EVV reporting impacts the time caregivers spend on admin tasks

A report from the University of California exploring the impacts of EVV in more than 10 states found that EVV has impacted the time workers spend on administrative tasks.

“I’ve heard from the providers directly that they feel rushed because now they do have to do this clock-in clock-out, and if it’s not right, then they worry that again, the check is going to be delayed, so they feel like there is never enough time. Especially...if you’re someone who conceivably has four clients a day, and you get behind on one and it puts your whole day behind, it’s definitely a hindrance.”

Consumer

Differentials

Would you be willing to provide care to clients with advanced needs for...

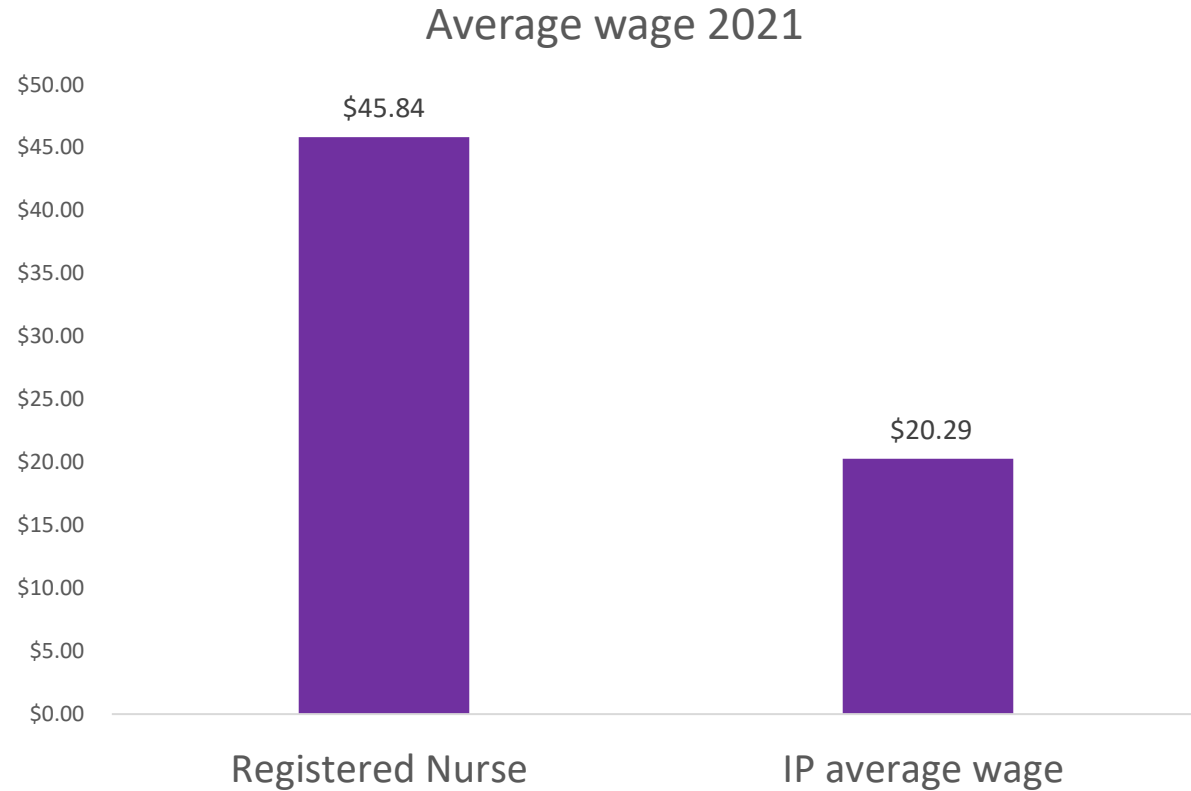
Advanced needs include clients with complex behavioral challenges, advanced Alzheimer's, or multiple medical diagnoses.

28.5% of caregivers who said they were not willing to begin to provide care for clients with advanced needs, said they would do it for **\$1 dollar or more per hour.**

Source: SEIU 775 Member survey, March 2022.

Nurse Delegation

- Creates cost savings for Medicaid recipients
- Contributes to the professionalization of the workforce
- Lowers burden on family members who would have to leave work to provide similar dedicated tasks



Source: Own elaboration with information from "Washington - May 2021 OEWS State Occupational Employment and Wage Estimates," BLS, accessed April 17, 2022, https://www.bls.gov/oes/current/oes_wa.htm, and SEIU 775 estimates on IP wages (including differential and hazard pay).

Most
Washington
Agencies have
a paid Nurse
Delegation
Differential



Organization	Nurse Delegation Differential
Catholic Community Services	50 cents
Full Life Care	50 cents
ResCare	50 cents
Amicable	25 cents
Chesterfield	25 cents
Concerned Citizens	25 cents
Millennia	25 cents
KWA	25 cents

Source: own elaboration with information from Collective Bargaining Agreements 2021 – 2023.

Other acuity differentials in Washington

WA Home Care Agency	Special / Extraordinary Care / Behavioral needs Differential	Transfer / Toileting Differential
Addus Washington	50 cents	
Amicable	25 cents	25 cents
CCS	50 cents	50 cents
Concerned Citizens	25 cents	25 cents
First Choice	50 cents	
Full Life Care	1 dollar	
KWA	50 cents	
ResCare	50 cents	

Source: own elaboration with information from Collective Bargaining Agreements 2021 – 2023.

Protect caregivers from harassment

Protect caregivers from harassment



In April 2020, Washington state Gov. Jay Inslee signed our landmark HADit legislation into law, which will protect caregivers and clients for years to come.

Caregivers working with agencies are paid if they experience harassment and have to leave their shifts

Organization	HADIT
Addus Washington	Any employee who believes in good faith that his/her health and/or safety is in imminent danger at an assigned work location, may leave that location and shall immediately report to the Employer any working conditions that threaten or endanger the employee's health or the safety of the employee or client. If the employee believes the client may be in danger, the employee should call 9-1-1 or other emergency services. The employee shall report the incident to his/her supervisor as soon as possible after leaving the assigned work location. If after review and investigation of the incident giving rise to the belief of imminent danger it is determined that the employee acted reasonably and promptly reported the incident to his/her supervisor, the employee shall be paid for his/her entire scheduled assignment, including all travel time and travel and travel miles (except errands not performed) that and travel miles he/she would have been paid had the assignment been completed as scheduled.
CCS	Any employee who believes in good faith that his/her health and/or safety is in imminent danger at an assigned work location may leave that location immediately. The employee shall report the incident to his/her supervisor as soon as possible after leaving the assigned work location. The employee shall be paid for his/her entire scheduled assignment, including all travel time and travel miles (except errands not performed) he/she would have been paid had the assignment been completed as scheduled.
Full Life Care	If after review and investigation of the incident giving rise to the belief of imminent danger it is determined that the employee acted reasonably and promptly reported the incident to their supervisor, the employee shall be paid for their entire scheduled assignment, including all travel time and travel miles (except errands not performed) they would have been paid had the assignment been completed as scheduled. If the employee no longer serves the client, the Employer shall make reasonable attempts to reassign the employee to another client in a timely manner.



But that's not the case for Individual Providers



Possible investments

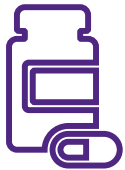
Possible investments examples



Increase mileage cap to 140



Additional 15 minutes admin. time



\$25 cents per hour nurse differential



Thank you!



TAB 8

RSB May 2nd follow-up

How many workers serve more than one client?

Before pandemic, over 6,800 IPs. In August 2021 (before CDWA transfers), it is slightly less than 6,600.

Information about retirement and other benefits available to Nursing Home and AFH workers

For AFHs we give a flat add-on to the daily rate for healthcare benefits and training. They do not have anything for retirement benefits. AFHC is much smaller than SEIU and is not national and has about 3000 in their bargaining unit in WA state with about half that pay dues.

The department does not check to see if they use that additional money for training or healthcare.

Here is the language in our current [AFHC 21-23 CBA](#).

8.2 Adult Family Home Mandatory Training

A. The parties recognize that **one dollar and twenty-eight cents (\$1.28) per client per day will be added to the Base Daily Rates** reflected in Article 7, Payment, for the period of July 1, 2021, through June 30, 2023.

This payment is intended to cover the costs of time spent in training and the costs of tuition for core basic, continuing education, and training required to qualify a provider, as required under WAC 388-112A for providers in adult family homes.

B. Effective July 1, 2022, all classifications will have forty-six cents (\$0.46) per client per bed day contributed to the Adult Family Home Training Network. The "AFH Client Bed Days Paid by Service Month Report" as defined in the vendor contract will be used to calculate the amount owed to the Adult Family Home Training Network for work completed for each specific calendar month. The report will be provided by the State after the end of each calendar month. The amount calculated by the report following a time period defined by the vendor contract is the final amount that will be paid by the State to the Adult Family Home Training Network for that specific calendar month.

C. The State will refer bargaining unit member inquiries related to the implementation of the Adult Family Home Training Network to the Adult Family Home Council or the contractor for the Adult Family Home Training Network.

8.3 Health Care

The parties recognize that **three dollars and thirty-five cents (\$3.35) per client per day will be added to the Base Daily Rates** reflected in Article 7, Payment, for health care coverage costs for adult family home owners.

I do not have any information on nursing homes.

Caregiver retirement benefits vs. selected WA state selected employees

May 10, 2022.

Full Career - 45 years	Employer contribution in cents per hour	% Income Annual Replacement (45-year career)	Department	Job description
Caregiver (\$0.80 cents)	\$ 0.80	21%		
Caregiver (\$1.50)	\$ 1.50	40%		
Nursing Assistant	\$ 2.06	45%	DSHS / Department of Veteran Affairs	Under general supervision, performs routine tasks involving direct and indirect care, treatment, and transportation such as assisting patients with daily living activities; preparing patients for surgery; performing non-invasive lab procedures; transporting patients, equipment, and supplies; and assisting with treatments. Performs various clerical tasks such as collecting data, ordering supplies, answering phones, recording messages or referring calls, data entry, photocopying, and completing forms.
Attendant Counselor 2 (SOLAS direct care worker)	\$ 2.11	45%	DSHS - includes SOLAS (Direct Care Staff)	State-Operated Living Alternative (SOLA) provides direct support to individuals with developmental disabilities living in State-operated homes in a community setting. Implements, monitors, and assesses the clients' individual instructions and support plans (IISP). Documents and provides feedback on the implementation of the goals in the IISP. Participates in the development and implementation of formal and informal skill acquisition goals. Provides daily habilitative services, support, and instruction with activities of daily living in the clients' homes and the community. Works under the general supervision of an Attendant Counselor Manager (ACM). Direction may be provided by other individuals with specific professional qualifications and may work as a team with other SOLA staff.
Mental Health Technician 2	\$ 2.42	45%	DSHS	Within a psychiatric treatment facility, provides personal care services and general therapeutic procedures for mentally ill patients and is the assistant to the Mental Health Technician 3. These positions are limited to one per ward.
Occupational Therapy Assistant 1	\$ 2.14	45%	DSHS	Assist in the practice of occupational therapy under the supervision of an occupational therapist.
Social Service Support Specialist	\$ 1.92	45%	Dept of Child Youth & Families	As a direct care provider, the employee's work involves providing physical support/intervention for clients using program-approved methods which may include moving or transferring children to supervised visitation locations; positions do not carry a caseload.

Key Takeaways:

- The \$1.50 gets caregivers % income replacement (40%) closer to the % income replacement for WA state employees under PERS Plan 3 (45%).
- Employer contributions for all selected WA employees' job classifications are higher than for caregivers, even at the \$1.50 contribution rate.

Methodological note:

Caregiver retirement benefits vs. selected WA state selected employees

May 10, 2022.

- We took PERS 3 employer contribution rates and the weighted average hourly and monthly salaries for selected WA state employees (with data provided by OFM in public records request provided on April 6, 2022)and calculated the cost per hour for the employer as a dollar amount (we did not take into account employee contributions).
- We used PERS 3 formula PERS Plan 3 pension formula ($1\% \times \text{service credit years} \times \text{Average Final Compensation} = \text{monthly benefit}$) to calculate the % income replacement.
- We then compared these two results to caregivers' contributions at \$0.80 and \$1.50.

TAB 9

Transforming
Lives

Consumer Directed Employer Rate Setting Board Meeting

May 2, 2022



Purpose/meeting overview

RSB Chair

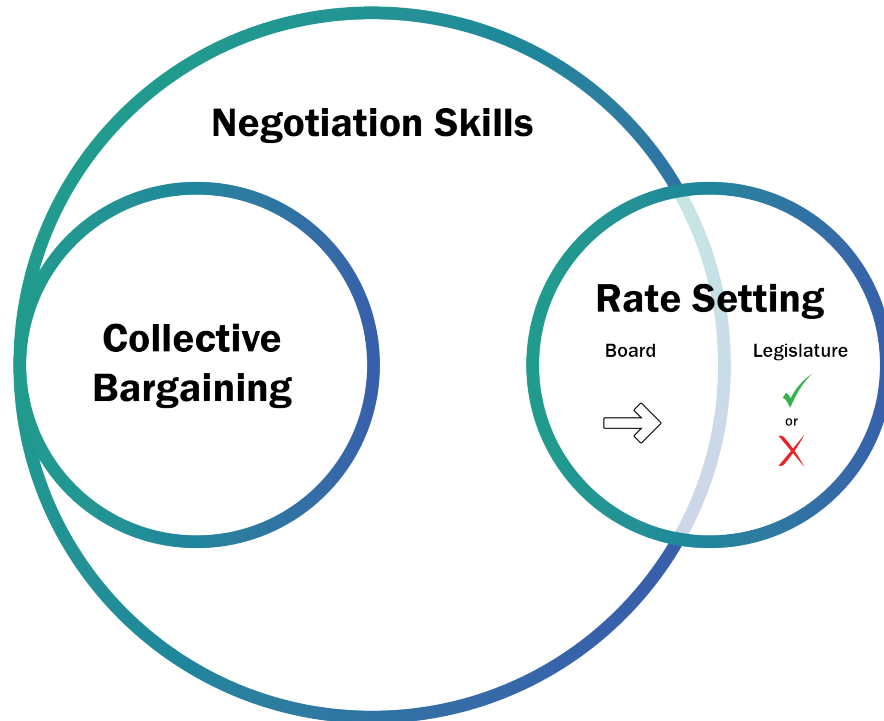
CDE Rate Setting Board

Mission Statement

The Board's mission is to determine a rational and sound rate guided by the joint goals of:

- continuing a successful self-directed care in-home program and
- promoting the growth of the individual provider (IP) workforce,
- while sustaining the Consumer Directed Employer(CDE).

Rate setting does not include collective bargaining



- **Negotiation** is the skill parties use to reach mutually acceptable agreements.
- **Collective bargaining** is rule making process that formulates the terms and conditions under which the worker's group and management, may cooperate and work together.
- **Rate Setting** is a process that a public body, with representation of stakeholders reviews, evaluates and recommends to the legislature the rate which includes a labor and an administrative component.



Ways to Foster Productive Dialog

- Listen, summarize, and ask curious questions
- Expect curious questions
- Respond, don't react
- Take deep breaths
- Be a thought partner

Approval of 4.19.2022 Meeting Minutes

RSB Chair

Opening Remarks/Old Business

RSB Chair

Policy & Procedure Review and Vote

RSB Chair

Individual Provider Training

Amy Persell, Training Partnership Managing Director

Tangie Webb, SEIU 775 Vice President

Board discussion

Retirement Overview

Teresa Ghilarducci, Academic Expert

Break

Secure Retirement Trust (SRT) Background and Benefit Modeling

Josh Luskin, SRT Managing Director, Benefits Group

Christine Yi, SEIU 775 Union Strength Director

Board discussion

Lunch

Wage Differentials and Mileage Research Presentation

Shaine Truscott, Vice President SEIU 775

Board discussion

Administrative Time and Other Components Research Presentation

Shaine Truscott, Vice President SEIU 775

Board discussion

Wrap-up

Public Comment

Adjourn