



# Home Healthcare Provider Cooperative

# Background



- Baby Boomer population growth will create a projected 51% growth rate in the home healthcare industry over the next 10 years.
- Due to the projected acuity level of individuals who choose to remain in their home, the opportunity for career advancement in the home health industry is increasing.
- Low wages, little or no mileage reimbursement, no benefits or opportunity for advancement in the home health industry has created a low recruitment and high turnover rate.

# Home Healthcare Provider Co-Op



- Formed in an effort to address common issues
- Reduce overhead of home healthcare agencies
- Increase recruitment and retention by creating incentives for individuals to seek employment and career advancement in the home healthcare field.

# Turnover Rates/Costs



- Employee turnover, sometimes as high as 80%, creates a huge financial burden on the home health care industry and has forced some agencies to close their doors.
- The replacement cost for an \$8/hr. employee is \$3,500.....

	CURRENT HHA STAFF	2009 New Hires	Projected Replacement Costs	2010 New Hires	Projected Replacement Costs
Agency 1	150	61	\$213,500	53	\$185,500
Agency 2	110	149	\$521,500	130	\$455,000
Agency 3	56	*	\$0	50	\$175,000
Agency 4	70	44	\$154,000	34	\$119,000
Agency 5	140	96	\$336,000	69	\$241,500
Agency 6	2.5	0	\$0	0	\$0
Agency 7	100	*	\$0	14	\$49,000
<b>TOTALS</b>	<b>628.5</b>	<b>350</b>	<b>\$1,225,000</b>	<b>350</b>	<b>\$1,225,000</b>

**Average of 56% of staff replaced annually**

# Broad Partnership



- Buckeye Hills Regional Council Aging and Disability
- Ohio Cooperative Development Center at OSU South Centers
- Home Health Agencies
- Educational Partners
- Referral Partners
- Health Insurance/Benefits Co-op
- Ohio Department of Aging

# Benefits to the Workers



- Standardized training resulting in state certification
- Higher wages
- Mileage reimbursement
- Access to health benefits; benefits are portable and go with the employee
- Access to a Career Lattice in the home health field
- Salary increases as skill set increases
- Background checks are transferrable within the co-op

# Benefits to the Employer



- Trained pool of workers from which Co-op members can hire
- Increased ability to pay a higher wage due to reduced training costs and employee turnover
- Increased ability to pay a mileage reimbursement due to reduced training costs and employee turnover
- Increased ability to accept higher level acuity patients due to increased training of workers leading to higher revenue potential

# Benefits to Both



- Flexibility in work hours
- Ability to pick up additional shifts from another Co-op member
- Trained pool of workers to access to cover staff shortages due to illness, vacation, etc.

# The Problem(s)



- Individuals who wish to participate in the STNA training often do not have \$625 to be able to do so.

# The Problem(s)



Co-op was unable to secure funding for training

- Department of Labor's Older Worker Demonstration
- TANF
- Workforce Investment Act (entry level wage of \$9/hr. mandate)
- Appalachian Training Investment Fund

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