

The Guaranteed Hours Program

Ensuring stable, full-time, direct-care employment

Background: The critical need to build a quality direct-care workforce

One of the most critical problems facing home care providers today is the recruitment and retention of skilled and committed direct-care workers. With turnover rates among these workers averaging 50 percent per year, home care providers cannot possibly meet the rapidly growing demand for services among elders and people with disabilities.

Not long ago, providers could rely on a seemingly infinite supply of young and middle-aged women entering the workforce to take caregiving jobs. But that is no longer the case. The U.S. Census estimates that by 2030 the elder population will increase by an additional 104 percent. Over the same time period, the people who make up the traditional caregiving workforce (women aged 25 to 44) will increase by only 7 percent.¹ An emerging care gap demands new strategies to retain a stable, high-quality direct-care workforce.

Ensuring full-time employment

Across the country, employers, direct-care workers, and long-term care consumers are working together to address the care gap by improving the quality of direct-care jobs. These efforts have focused on fundamental issues such as the need for increased wages, better training, and access to affordable health coverage. But there is an additional chal-

lenge in home care that undermines the ability of employers to attract and retain workers: the part-time nature of home care work.

Better wages are critical to increasing the income of direct-care workers, but for many workers who cannot get full-time work, a few dollars per hour more can't provide financial stability. Total earnings for direct-care workers depend on total hours worked per week—in addition to the hourly rate. When a worker's case is closed—such as when the client is hospitalized—the worker not only loses the case, but also the hours and the associated wages that she had counted on to support her family. This fluctuation in hours—and therefore income—forces many dedicated caregivers to seek more reliable (but often less fulfilling) employment.

A Guaranteed Hours Program

One interesting way to address this problem is a **guaranteed hours program** like the one developed and implemented by Cooperative Home Care Associates (CHCA), a New York City home care staffing agency (see box on page 2). CHCA is nationally recognized for pioneering the quality care through quality jobs model of service delivery.

It is important to note at the outset that the CHCA guaranteed hours program is only one aspect of a larger, multi-faceted program at CHCA to provide quality care to its clients through supporting and retaining its workers. Other

A series of occasional papers, produced by the Paraprofessional Healthcare Institute (PHI), *Workforce Strategies* explores public policies and industry practices that affect the long-term care direct-care workforce. PHI produced this issue of *Workforce Strategies* with support from the **Bernard F. and Alva B. Gimbel Foundation**. *Workforce Strategies No. 4* describes the Guaranteed Hours Program established at Cooperative Home Care Associates (Bronx, NY) as an example of a specific strategy for achieving full-time hours and stable work for direct-care workers in home- and community-based settings. To learn more about the work of PHI to support the recruitment and retention of direct-care workers in long-term care, see www.paraprofessional.org. Additional copies of *Workforce Strategies No. 4*—and other publications—can be ordered from the PHI National Clearinghouse on the Direct Care Workforce: www.directcareclearinghouse.org.

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than the guaranteed hours program described here, CHCA also provides its direct-care employees with:

- Wages and benefits that total over 80 percent of CHCA's hourly contract rate
- Learner-centered training
- Health coverage, paid vacations, and sick time
- Cooperative ownership of the company
- Career ladders within the company

The guaranteed hours program enabled CHCA to provide its workers with reliable hours and a stable, predictable income. The aide, who was part of a temporary, contingent workforce, was transformed into a stable, permanent worker. CHCA also believes that its clients are better served because they can count on sustained and reliable relationships with their caregivers.

One of the key lessons learned by CHCA in implementing its guaranteed hours program was that the process requires a dramatic shift in mindset and practice for both the aide and the agency. But everyone—including the client—benefits.

Cooperative Home Care Associates

Founded: 1984

Number of Clients: 891

Number of Direct-Care Workers: 1,000

Participants in Guaranteed Hours Program: 370

Average hours worked per week per worker: 36 hours

Turnover rate: 25 percent

NOTE: Figures are based on 2006 data.

Responsive to changing circumstances

People receiving home care—the elderly and those living with disabilities or chronic conditions—exhibit a range of ever-changing circumstances and conditions that directly affect the direct-care workforce. Some clients may suddenly need more intensive residential care, or they may die. Family members may arrive for an extended stay and take over home care responsibilities for a brief period. Particularly during the winter, clients who are physically and medically compromised may be exposed to the flu, become seriously ill, and need to be hospitalized. All of this affects the ability of home care workers to maintain stable work hours.

In addition, home care is always a mix of long-term and short-term cases. Contrast the short-hour Medicare post-acute episode case—which usually ends in 60 days or

less—with the needs of a person with disabilities, who depends on someone to manage everyday activities such as bathing, dressing, and preparing meals.

The guaranteed hours program at CHCA helps the agency address this dynamic set of client needs by ensuring that a core group of workers is always prepared to fill in when needed. This has made the scheduling process more flexible and responsive to client needs, particularly when dealing with challenges like weekend coverage and call-outs. At the same time, the system provides a kind of “unemployment insurance” for workers.

Implementing the guaranteed hours program at CHCA

Moving toward a full-time workforce was not easy. While CHCA found significant interest from workers, supervision became considerably more complex. A guaranteed hours program would not be sustainable unless the participants were working most of the time, and that success required managing the workforce for full-time work and productivity, not just scheduling aides for time slots. At CHCA, this kind of transformational change did not happen overnight. The program was implemented gradually, in planned stages.

When considering guaranteed hours, CHCA carefully reviewed its workforce, caseload, and finances. However, the *very* first step in the implementation of a guaranteed hours program was a management discussion about why the organization was considering it, and what it hoped to get out of it.

DETERMINING PROGRAM GOALS

CHCA managers recognized that guaranteed hours would help to fulfill CHCA's mission to improve the quality of jobs for its employees. But could such a program be a benefit to CHCA's business? Discussing these issues led CHCA to identify three key business goals:

- Improve retention/reduce turnover
- Reward employee longevity and dependability
- Better meet client needs in a “call-out” situation

The program would have to meet these goals in order to be a viable route to improving job quality for workers.

ASSESSING PROGRAM VIABILITY

CHCA brought together its management team to consider how it might best structure eligibility requirements and responsibilities to benefit the agency and the agency's clients. One of the most important steps in early planning was a thorough and thoughtful evaluation of the current

workforce, their caseloads, and the market in which CHCA was operating.

Marketplace. CHCA is in a strong growth market area, serving one of the nation's largest urban populations of elderly and people with disabilities.² Demand for services grows each year, with recruitment of new workers—and retention of existing workers—a perennial challenge. The managers at CHCA felt that given this market reality, a guaranteed hours program could clearly enhance the quality of the direct-care job from the workers' perspective—improving recruitment and reducing turnover. The planners also thought the program could benefit the company in other ways, such as by having more flexibility meeting client needs in an emergency or “call-out” situation.

Workforce and caseload. In evaluating the current workforce and caseload, CHCA analyzed the following data:

- Total direct-care workers employed
- Average number of hours worked by each employee (weekly/per year)
- Length of worker tenure
- Call-out rate
- Turnover rate
- Total number of cases, and the total hours they represented

CHCA also collected and evaluated information about a range of other factors, including:

- Degree to which current workers requested more hours
- Mix of long-term and short-term cases
- Number of clients needing only a few hours of help per week
- Number of clients needing 8 hours or more per day.

This information provided CHCA with a clear picture of their current workforce and operations, and provided the basis upon which the agency could begin to see how a guaranteed hours program could help them meet their goals.

Evaluating the financial impact. After evaluating its current workforce and caseload, CHCA considered the potential financial impact of implementing a guaranteed hours program. To this end, CHCA ran several “what if” scenarios that took into consideration the following factors:

- Potential number of workers in the program
- Workers' current caseloads
- A realistic assessment of possible replacement hours during an average week

While certain factors in the financial impact equation could be based on current realities, CHCA also considered

the potential affect of shifting caseloads in the future—such as the steady movement in their market area toward more home- and community-based services.³ This *could* mean more high-hour cases for the agency down the road, with a resulting increase in call-outs as workers struggled to meet longer hour requirements of clients.

Using “what if” scenarios similar to the ones described below (see “How it works,” page 4), CHCA determined—with different caseload mixes—how many non-worked “guaranteed hours” they might have during any given week. CHCA also built into its formula a realistic number of “hours requested off” (see page 5), given their subjective understanding of their current workforce.

Factoring in the “cost of change.” CHCA also took into consideration that a guaranteed hours program would likely cost them more at the beginning. While the program provided a clear and tangible benefit to their direct-care employees, CHCA was very aware of the challenges—as well as the opportunities—that such a program would bring to their service delivery management staff.

Implementing a guaranteed hours program required that the CHCA management staff think differently about how existing and routine services were delivered, as well as the management practices—the related scheduling, recording, and planning systems—that were associated with their delivery. The planning committee realized that implementing the guaranteed hours program changed not only how eligible workers were compensated and scheduled, but also how call-outs were handled, weekend scheduling was coordinated, and ultimately how their clients were served. The more slowly these management practices changed, the less likely it would be that participating aides would actually be working the full guaranteed time. CHCA had to consider how quickly service delivery managers would buy into the guaranteed hours concept and learn to change their practices to meet a new set of requirements in calculating the initial bottom-line cost of the program. The effort that CHCA made to include and challenge its management staff in the planning process, thus, was essential to the successful launch of the program.

Determining how many hours to guarantee: With the evaluation of CHCA workforce, caseload, and market, the planning team then determined the optimum number of workers it could support in a guaranteed hours program and the number of hours it could reasonably guarantee to the workers eligible for participation. The importance of this analysis should not be underestimated. Going into the planning process CHCA was hoping to provide 35 hours of guaranteed pay to their workers. After consideration of all the

variables, CHCA could see that 35 hours was not financially feasible, and 30 guaranteed hours became the target goal of the program.

Establishing eligibility criteria. One of the goals (see page 2) of the guaranteed hours program at CHCA was to reward employee longevity and dependability. By analyzing the number of workers who remained with the company for more than two years and comparing these numbers with the ideal number of workers who could be supported in the guaranteed hours program, CHCA determined eligibility criteria. In order to make the criteria easy for workers to understand, the planning team used total hours worked—not weeks, months, or years.⁴ The threshold for participation finally established required that a worker log 5,460 hours of work, the equivalent of three years of full-time (35 hours per week) employment.

Establishing requirements and responsibilities: CHCA established program participation requirements to meet the agency's needs as well as those of their clients. Through the evaluation of its caseload, CHCA managers could see that they had a good mix of short-hour Medicare cases and high-hour Medicaid cases. The guaranteed hours program could help them cover call-outs on high-hour cases if they structured the program requirements to meet this need.

After a rocky start, management discovered that the best way to ensure their program effectively served client and agency needs was to require the workers themselves to take on the responsibility for letting coordinators know when they were available. CHCA established three critical rules for participants. Workers in the guaranteed hours program must:

- Accept all permanent case assignments and replacement hours (i.e., hours covering call-outs) regardless of the number of hours involved, the location, or type of client.
- Participate in the weekday on-call worker pool by phoning the office between 7:45 a.m. and 8:15 a.m. daily. If called in, the worker must be ready to leave immediately for a client's home.
- Be available to work ("on call") every other weekend, if the worker does not have a permanent weekend case.

Workers who follow these requirements are paid for 30 hours a week, even if the total number of hours worked does not add up to 30 hours.

By establishing participation requirements and responsibilities in this way, workers covering short-hour cases became a built in temporary staff, and CHCA no longer needed to rely on an expensive temporary staffing agency to handle call-outs.

In setting up a guaranteed hours program CHCA quickly learned that there would be times when a worker might not be available to work. CHCA handled this situation by requiring that workers notify their coordinators in advance if they will not be available on certain days. The day's hours are then deducted from the worker's total hours for that week. If a worker fails to notify the coordinator in advance and refuses an assignment, she does not qualify for guaranteed hours that week and is paid only for hours worked.

How it works

The guaranteed hours program at CHCA blends regular hours with replacement hours worked and "on-call" hours not actually worked, as follows:

Regular Hours *plus* Replacement Hours *plus* Guaranteed/On-Call Hours = 30 hours

When calculating how many hours a worker is paid for during any particular week, the formula must take into account days that workers request off. CHCA calculates a day as 6 hours. The worker's weekly hours, thus, are calculated as follows:

Regular Hours *plus* Replacement Hours *plus* (Guaranteed/On-Call Hours minus Prearranged Hours Requested Off) = Total Weekly Hours

The Guaranteed/On-Call Hours (G/OC) variable will always be equal to 30 hours minus hours worked (i.e., regular hours plus replacement hours).

The best way to understand how the guaranteed hours program works at CHCA is to review several examples (see page 5).

Announcing the program

When all planning was complete, CHCA formally announced the program to its direct-care staff. In all employee communications, CHCA framed the program as a reward for worker longevity and dependability. The company developed some simple handouts, using some of the examples shown on page 5, to explain how the program worked and the participation requirements and responsibilities.

Tracking and evaluating the program

To effectively manage its guaranteed hours program, CHCA tracks the following data:

- Total hours worked by each employee as well as weekly hours worked.

Continued on page 6

Examples of How Guaranteed Hours Work

CASE EXAMPLE 1

Mary Smith has a regular home care case that requires that she work 3 days a week for 4 hours at a time. She calls in on the days she is not with her client and is available to work. The agency does not have a case for her so she is paid for 12 hours of work and 18 guaranteed hours for a total of 30 hours.

Regular Hours	+	Replacement Hours	+	(G/OC Hours	-	Hours Requested Off)	=	Total
12	+	0	+	(18	-	0)	=	30

CASE EXAMPLE 2

Latetia Bridges has no permanent case during the week. She calls in daily and works an 8-hour replacement case on Wednesday, but Latetia tells her coordinator in advance that she will not be available for work on Thursday. She is paid for 8 hours of work and 16 guaranteed hours (22 hours minus the 6 hours for the Thursday she was unavailable).

Regular Hours	+	Replacement Hours	+	(G/OC Hours	-	Hours Requested Off)	=	Total
0	+	8	+	(22	-	6)	=	24

CASE EXAMPLE 3

Denise Williams has a regular 20 hour case, which she attends to for 4 hours a day, Monday through Friday. She calls in advance to say she cannot work on Wednesday. She is paid for a total of 24 hours: she loses six hours for the day she was unable to work, dropping her guaranteed hours for the week to 4 hours.

Regular Hours	+	Replacement Hours	+	(G/OC Hours	-	Hours Requested Off)	=	Total
20	+	0	+	(10	-	6)	=	24

CASE EXAMPLE 4

Barbara Bailey has no permanent case assignment for the week. She works an 8-hour replacement case on Tuesday, but refuses a case on Friday. She is paid for her 8 hours of work, but no guaranteed hours that week, because she did not call in advance to let the coordinator know that she would not work on Friday.

Regular Hours	+	Replacement Hours	+	(G/OC Hours	-	Hours Requested Off)	=	Total
0	+	8	+	(0	-	0)	=	8

Weekend hours

Weekend hours sometimes add to workers' overall weekly pay. In the CHCA model, weekends are scheduled so that a worker is "on" every other weekend. For the weekend the worker is "on," her total hours worked may be greater than 30. However, when the worker has the weekend "off," she is paid for 30 hours, as shown below.

CASE EXAMPLE 5

Carmen Perales has a regular case that requires 5 hours a day, five days a week. For the week in which she has her week-end off, she is paid for 25 hours of work plus another 5 hours which are "guaranteed" to total 30. For the week-end she is "on," Carmen works two more days, and is paid for 35 hours worked.

Weekend Off

Regular Hours	+	Replacement Hours	+	(G/OC Hours	-	Hours Requested Off)	=	Total
25	+	0	+	(5	-	0)	=	30

Weekend On

Regular Hours	+	Replacement Hours	+	(G/OC Hours	-	Hours Requested Off)	=	Total
35	+	0	+	(0	-	0)	=	35

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- Participating workers' performance for each week, including whether or not they have called in as required and then taken or refused a case.
- Expenditures related to the program to make sure they are in line with the budgeted amount.
- The running total of workers qualifying for the program over time. The number of employees in the program affects total payout, and if more employees qualify than hours available, the employer may not be able to sustain it financially.

A sophisticated IT system that can track this information has been key to evaluating how the program is working for employees, clients, and the agency as a whole. CHCA planners were aware from the beginning that as the longevity of employees increased (and retention improved) more workers would qualify for the program and the workers hourly rates would increase. This could affect the program's financial viability, particularly if the overall size of the company didn't continue to grow. For CHCA, growth has kept the percentage of workers in the guaranteed hours program relatively steady, moderating the overall financial impact. Nonetheless, CHCA planners realize that program requirements may need to be adjusted at some point. Having a data collection and management system, with appropriate hardware and software tools, is essential to determining when and how these adjustments must be made.

Building workforce capacity

Cooperative Home Care Associates initiated their guaranteed hours program over 15 years ago. It has continued to grow in participation and is a core element of the agency's "quality care through quality jobs" approach.

A guaranteed hours program makes good sense for the aide, the agency, and the client—especially in today's health care environment. States in the process of reforming their long-term care systems by increasing the use of home- and community-based care resources are already finding that they need to build direct-care workforce capacity. Demographic changes are going to make it more difficult to attract and retain workers in the future, at the same time that home care agencies are facing increased caseloads and fewer public dollars to support the system. A guaranteed hours program can provide the increased flexibility agencies need to handle these changes.

Addressing this challenge requires many incremental steps, including better wages, benefits, training, coaching and mentoring, and access to support services that enable a person to get to work (e.g., child care, transportation). The ultimate goal is to build a stable home- and community-based care workforce by making sure these jobs offer family-sustaining wages, benefits, and full-time work, if desired. This will require changes in public policy as well as workplace practices.

A guaranteed hours program is one effective strategy home care agencies can use for ensuring stable hours and full-time work—critical elements for providing quality jobs for direct-care workers. Of equal importance is that the program helps meet the needs of long-term care consumers while improving the quality of the care they receive. State policymakers can encourage guaranteed hours programs and other workplace models that help workers achieve stable hours and increased wages through incentives in their reimbursement policies, cross-sector credentialing systems, and other policy tools designed to address this fundamental challenge of home care work.

Endnotes

- 1 U.S. Census Bureau, Population Division, Interim State Population Projections, 2005. www.census.gov/population/projections/PressTab4.xls
- 2 Dorie Seavey, Steven L. Dawson, Carol Rodat. *Addressing New York City's Care Gap*, Paraprofessional Healthcare Institute, September 2006. Available at www.directcareclearinghouse.org
- 3 The shift toward more home- and community-based services may not be true for all communities. To find out more about long-term care policies in your state, and the resulting market realities, see www.directcareclearinghouse.org.
- 4 Agencies considering a guaranteed hours program will need to consider the optimum number of workers for their program before setting specific criteria for participation. If too few workers currently stay longer than one year, requiring three years of tenure may eliminate too many potential candidates to establish an effective program. At the same time, a threshold that is too low may result in too many workers participating, with the program becoming financially untenable.

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