

Turn-Over & Training Costs – A Home Care Agency Example

Background:

Catholic Community Services provides in-home personal care to roughly 2,200 state-funded and 600 privately-funded consumers every day. Twelve offices located from Bellingham to Vancouver service contracts with seven AAA regions as well as a variety of additional private contracts and individuals.

Like most home care agencies, Catholic Community Services employs non-related caregivers to provide personal care to consumers. The responsibility to recruit, screen, interview, hire, train, discipline, and fire rests with the agency, as well as the responsibility to provide substitute or replacement workers. It is the responsibility of the agency to abide by all wage and hours laws, including worker's compensation. Consumers who do not wish to manage this professional service are typically the ones who chose home care agencies.

Number of home care workers employed: 2,100

Number hired per year: 1,000

Recent New Hire Analysis:

A study was done on the trends of new hires for Catholic Community Services. This study was done in support of a Department of Labor grant. New hire from the period January 1, 2005 to September 30, 2006 were analyzed. There were 1,707 new hires during this period. The following data was reported:

- 35 % quit within 120 days (about 600)
- 12 % quit within 30 days (about 200)
- 45% remained employed at least one year (this has improved over the 33% shown 1997-2002)
- Attrition is an average of 10% per month for the first three months, falls to 5% per month for months four through six, and then stabilizes at about 2% per month thereafter.

Cost of New Hires and Training:

Catholic Community Services estimates the following costs of new hires to be about \$200 per new recruit. If the recruit makes it through the Modified Fundamentals of Caregiver training (MFOC), there is an additional \$84 in costs borne by the agency. The costs are broken out into costs born by the agency and costs borne by the state. The cost for recruiting includes advertising, screening, interviewing, reference checking, WSP checks, and orientation. The 'uncompensated cost' is the difference between what the state reimburses for training and what it actually costs for wages, taxes, and benefits for training. The 'uncompensated cost' does NOT include that portion of the state training which the agency must pay to equal the percentage of private pay (non state-funded) business.

Agency Cost (\$284):

- Recruiter Cost/Hire \$200
- Uncompensated cost/recruit for training through MFOC \$ 84

State Cost For Training Through MFOC (\$447):

- Training Wage/Hire \$311
- Trainer Cost \$136

Total Cost of New Hire & Training: \$731

Estimated actual cost/provided hour for MFOC (28 hours): \$0.22