House Health Committee Hearing

Barriers to Employment in the Health Care Field

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Testimony of Steve Lindsey

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Good morning and thank you Chairwoman Rapp, Chairman Frankel and members of the House Health Committee for the opportunity to speak with you this morning about the challenges and opportunities that face us related to workforce issues. I am Steve Lindsey, CEO of Garden Spot Communities in New Holland, Lancaster County. Garden Spot Communities is a member of LeadingAge PA, which represents nearly 330 not-for-profit providers of senior housing, healthcare, and community services across the Commonwealth. We are all facing a looming crisis with significant workforce shortages as unemployment is at historic lows. The Bureau of Labor Statistics reported in 2018 that there are now more job openings in our country than people who are looking for work. When we look at the demographic projections of future years, we realize that this is not an isolated occurrence but the beginning of a longer trend. The GAO has estimated that by 2030, there will be 35 million more jobs of any kind than people to fill them. In our sector of Long Term Care (LTC), we have approximately 2 million LTC nurses and aides today, but will need 6 million by 2050 as a result of the demographic shift we are experiencing. That doesn’t include the need for dietary workers, housekeepers, maintenance people, etc.

Those persons who were looking for work have found it and every organization is searching for a new labor pool from which to draw talent for the future. It is precisely that crisis that
presents us with a great opportunity, I believe, to capitalize on a convergence of challenges to develop a program that would have two key areas of impact:

1. Helping to alleviate the staffing shortage in healthcare facilities.
2. Providing an opportunity for people who are living in poverty to gain financial independence.

The one labor pool that still exists is that group of people who have been living in chronic poverty. That is the same group of people who find their survival in the public assistance programs, paid for with state and federal funds. I know that in the past, countless initiatives have been attempted to answer the question, “How do we eradicate poverty?” I would suggest that the question we need to be asking today is, “How do we create prosperity?” I would submit that we don’t have a resource problem, but rather that we have an innovation problem.

Part of that problem is because we have never succeeded in addressing one the greatest challenges faced by people in poverty: public benefits are safe, but work is risky.

This is, in large part, related to the structural problem that we have created, known as the public assistance “benefits cliff.” The cliff effect occurs when a family loses eligibility for public assistance benefits as their income surpasses a certain threshold. In many cases, the value of the lost (or reduced) benefit can exceed the increase in wages. In other words, a one dollar per hour raise can result in the loss of hundreds of dollars in benefits. SNAP benefits, Medical Assistance/CHIP, child care vouchers, and rent subsidies could be cut before families can afford to cover those expenses on their own, leaving some households, particularly single parents with young children, worse off despite a bigger paycheck. In these situations, families can find
themselves working harder and earning more in wages, but unable to get ahead. This can create an unintended cycle of dependence and a disincentive to work.

We also have to recognize that the “cliff” is not the only obstacle that many face as they seek to create a path to prosperity. Many people who have experienced multigenerational poverty lack the skills, support and mindset to be successful in a workplace as demanding as healthcare. As a result, any plan that we would propose needs to take a holistic approach that tackles the structural disincentives while simultaneously coming alongside the individual, providing the resources and coaching necessary to help them build the skills and support systems necessary to be successful in the workplace.

In light of all of that, I would encourage the development of a public/private partnership that would provide individuals entering into entry level positions the healthcare field to have a path to financial independence. This could include the following:

- A demonstration/waiver program would be developed that would allow people entering entry level positions in healthcare to experience a gradual reduction in public assistance benefits as their wages grow. This gradual step down would allow people to grow their wages without being negatively impacted by the “cliff.”

- A work incentive of six months of extended benefits for people who move into these entry level positions would be provided. This would help alleviate the anxiety of taking the risk of entering into a job that is not guaranteed to be successful, in which case they would need to reapply for all their benefits and start over with various waiting periods required for the initiation of benefits.
• Career Pathways (e.g. Certified Nursing Assistant to RN) would be established for people to get assistance with educational expenses as they demonstrate success in the workplace. This would provide a real opportunity to move beyond low wage positions.

• Mandatory poverty awareness training would be required for all supervisors in participating organizations in order to increase empathy and deepen the level of understanding of the “real world” issues being faced by new employees.

• Mandatory classes for those new employees emerging from poverty that would provide them with an understanding of the tools they need to succeed in the workplace. They would be paid (by the employer) for their time attending these classes and childcare would be provided.

• Success coaches would be shared by a cluster of geographically connected organizations. The role of this person is critical to the success of the program and is designed to support the employees and provide 1:1 coaching on how to navigate the practical challenges they will face in a way that will enable them to stay on the job. Success Coaches could be employed by local social service agencies with a portion of their salaries paid by grants from the Commonwealth. Employers would share in the cost of the Success Coach by paying for the time that they use working with their employees.

• Employer Sponsored Loan Programs would be established that would help employees avoid “pay day lenders.” These could be established through the Commonwealth or with local credit unions/banks and would give employees access to loans of up to $1,000
for emergency situations. Employees are automatically eligible and would not need a credit check. Loans would be repaid through payroll deductions.

I understand that these are complex issues and there is no silver bullet. But I also believe that the current economic realities of our country are shining a spotlight on a situation that has been with us for many years... public benefits are safe, but work is risky. If we are willing to do the hard work of finding innovation solutions that connect the dots between the needs of employers in this economy and the needs of persons living in poverty we can create the win-win solution that so often evades us.

Thank you again for the opportunity to testify today. I, along with my community of LeadingAge PA members, look forward to working with you to create a culture of both wellness and prosperity for all Pennsylvanians.