ASPE RESEARCH NOTES
INFORMATION FOR DECISION MAKERS

FOCUS ON: *Long-Term Care* *Issued December 1994*

THE MEDICAID PERSONAL CARE SERVICES OPTION
PART II: CONSUMER-DIRECTED MODELS OF CARE

This **ASPE RESEARCH NOTE** is a follow-up to an earlier publication (The Medicaid Personal Care Option, Part I: Cross-State Variations and Trends Over Time [http://aspe.hhs.gov/daltcp/reports/rn07.htm]) that provided a descriptive overview of Medicaid personal care services (PCS) programs. Part II compares models of care that promote greater or lesser degrees of consumer control or choice and discusses research findings associating more consumer satisfaction with more choice. It concludes by discussing the relationship of these variables to indicators of worker satisfaction and worker pay and benefits, and by signaling some unanswered questions.

Data Sources

The Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services contracted with the World Institute on Disability (WID) to collect and analyze descriptive data on all Medicaid PCS programs operating in the U.S. in 1984 and 1988. In addition, during 1990-1991, WID made site visits and wrote up in-depth case studies of PCS programs in six states. In 1991, the Commonwealth Commission on Elderly People Living Alone sponsored a telephone survey by the polling firm of Louis Harris and Associates of a statistically random sample of Medicaid PCS clients in three states. By design, the states (Michigan, Maryland, Texas) chosen for inclusion in the Commonwealth Commission survey were among the WID case-study states.

Defining and Measuring "Consumer-Directed" Care

One simple indicator that is often used as a proxy measure of consumer control is whether a state Medicaid program permits personal care attendants to be "independent providers" rather than requiring them to be employees of certified home health agencies. The theory is that, without agencies (and the professionals who run them) as intermediaries, service recipients are likely to play a larger role in hiring and firing, training and supervising, as well as paying their aides. According to WID's 1988 survey, 46% percent of Medicaid PCS programs either required or permitted the use of independent providers--down from 60% in 1984.

In the Commonwealth Commission survey, degree of consumer direction of PCS aides was operationalized by an "index of choice" consisting of five factors: Is the aide someone the client already knew? Does the client help decide the aide's work schedule? Does the client sign the aide's timesheet and/or paycheck? Does the client have responsibility for the aide's job performance? Does the client--or a family member--participate in the hiring and firing of the aide? On each of these indicators, yes responses from clients scored 1 point, no responses scored O--yielding cumulative scores for each client between 0 and 5. In Michigan, fully 70% of clients had higher scores (of 3, 4, or 5) on the index of choice--as contrasted with 21% of clients in Texas and 25% in Maryland.

Maryland limits the range of consumer choice among potential providers by interpreting federal statutory prohibitions on hiring family members quite strictly. Michigan bans only "legally responsible" relatives (i.e., spouses and parents of minors). Nearly half (49%) of all independent providers in Michigan are relatives of the client and an additional 22% are friends, neighbors, or persons recommended by friends or relatives. In Maryland, registered nurse "case monitors" help clients find independent providers and most of these (82%), like most agency-employed aides in Texas (75%), are strangers.

Maryland requires that aides be trained and supervised by R.N. case monitors who make home visits at least every 60 days and also respond to client complaints. In contrast, Michigan permits clients to train and supervise their own aides. Once a year an R.N. employed by the state does a record review of PCS cases--thus satisfying the federal mandate for "nurse supervision."

Fewer clients in Maryland (25%) say they are involved in setting their aides' work schedules than clients in Texas (33%) or Michigan (55%). On the other hand, nearly two-thirds (62%) of Maryland clients report signing timesheets or paychecks--a lower rate than in Michigan (78%) but a much higher rate than in Texas (14%).

Measures of Consumer Satisfaction

The Commonwealth Commission survey found that clients with higher scores on the choice index reported greater satisfaction with their aides than those with lower choice scores. (See Table.) Respondents with higher scores on the choice index were also more likely to perceive their aides as having positive attributes. These included: being "very concerned" about their well-being, more like a friend than an employee, someone with whom they could discuss a problem, made them feel "very safe", was "always" reliable, and who had improved their quality of life "a great deal."

Client Satisfaction with Aide by Degree of Choice

	Choice Indicators					
	0	**1**	**2**	**3**	**4**	**5**
Very Satisfied	59%	78%	85%	86%	96%	100%
Somewhat Satisfied	16%	13%	10%	10%	3%	--
Not Very Satisfied	14%	5%	3%	3%	1%	--
Not At All Satisfied	12%	4%	1%	*	--	--

* Less than 0.5%.

Issues of Worker Satisfaction, Pay, and Benefits

Although the Commonwealth Commission survey did not interview PCS aides, it provides some indirect evidence of worker satisfaction associated with higher levels of consumer choice--in the form of lower reported absenteeism and turnover. However, worker morale is generally believed to be at least partly a function of pay and benefits. WID's data collection found that, across all states, average wages and benefits for independent providers were lower than those of agency-employed aides. In 1988, the average hourly wage for independent providers was $4.59, with 0.9 benefits, as compared to $6.02, with 2.7 benefits, for agency-employed aides. In the three states included in the Commonwealth Commission survey, these differences were muted. In Michigan, independent providers' hourly wages ranged from $3.35 to $6 as compared to $3.35-$4.41 for agency employees in Texas. In Maryland, independent providers were paid per visit rates that translated into roughly $5 per hour. Independent providers received no benefits in Michigan or Maryland, although FICA withholding could be arranged if requested in Michigan. Texas agencies routinely provided withholding and paid the employer's share of FICA as well as unemployment compensation; some provided workers compensation and transportation costs--but not vacation, sick leave, or health insurance.

In sum, it appears that the inter-state differences in client satisfaction with aides' performance that the Commonwealth Commission survey uncovered are not confounded by big differentials in worker pay and benefits. However, additional research is needed to clarify whether, and to what extent, the higher consumer choice and satisfaction scores in Michigan primarily reflect the very high proportion of aides who are family, friends, or neighbors. Are family members--and perhaps also friends and neighbors--simply more caring and responsive, on average, than strangers--especially when pay is low and benefits are minimal or nonexistent?

References

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*Litvak, Simi and Jae Kennedy. September 1, 1991. ***Policy Issues and Questions Affecting the Medicaid Personal Care Services Optional Benefit***. World Institute on Disability: Oakland, CA. Contract # HHS-100-89-0025. [http://aspe.hhs.gov/daltcp/reports/optnales.htm]

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