



SEIU Healthcare.

United for Quality Care

Keith Kelleher
President

Dear Members of the Committee:

My name is Maggie Laslo and I am the Director of Government and Public Affairs for the Service Employees International Union, Healthcare Illinois and Indiana. We represent over 85,000 workers throughout Illinois and Indiana, including home care workers through the Department on Aging and DHS-Division of Rehabilitation Services, home child care providers through the DHS-Child Care Assistance Program, and thousands of nursing home and hospital workers whose facilities are predominantly funded through Medicaid. I am here today to encourage you to protect all of these vital services in the budget for fiscal year 2010.

As requested, below are SEIU Healthcare Illinois's answers to the questions presented.

1) What areas of the state budget are you interested in protecting and why are those areas important?

Home care workers – both home care aids and personal assistants – are an essential component of Illinois' health care system. SEIU Healthcare Illinois represents over 35,000 home care workers who work as personal assistants and homemakers through the Department on Aging's Community Care Program and DHS-Division of Rehabilitation Services' Home Services Program. These workers offer some of Illinois' most vulnerable populations - older adults and people with disabilities - a safe, effective, and affordable way to stay in their homes and retain their independence while receiving the vital care they need. Home care workers protect and safeguard the health and well being of these consumers by assisting them with activities of daily life such as personal care, transportation, laundry, meal preparation, cleaning and other activities. Any cut to these programs would force consumers out of their homes and into nursing homes and other long-term care facilities. Home care not only allows for greater comfort and independence for these consumers, it also saves the state millions of dollars each year by offering an alternative to increasingly overcrowded long-term care institutions that cost more for both consumers and the state. As the economy worsens and baby boomers increase demand for long-term care, our members are seeing the effects on Illinois' seniors and people with disabilities first-hand. The need for affordable, high quality home and community-based services has never been more important. Our nation's long-term care system is already ill equipped to meet rising demand. Cuts to vital long-term care programs would be devastating to the needs of older adults and people with disabilities. In the midst of a significant state budget crisis, now is not the time to cut cost-effective

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Illinois

209 W. Jackson Blvd, Ste 200
Chicago, IL 60606
Phone: 312.980.9000
Fax: 312.939.8256

Indiana

1800 N. Meridian Street
Indianapolis, IN 46202
Phone: 317.927.9691

programs or threaten the care and independence of our state's seniors and people with disabilities by moving them into more costly institutions.

Illinois' long-term care facilities serve more than 100,000 residents, from the young to the elderly. At current funding levels, these facilities are already struggling to provide quality, adequate care for residents and decent wages and benefits for direct care workers. The average wage for a direct care worker is \$9.50 hour-- far below a living wage-- and benefits like health insurance are usually inadequate if they exist at all. The current extensive payment delays have only exacerbated these problems. Neither residents nor workers in Illinois' long-term care facilities can afford cuts. Cuts in current levels of funding could result in nursing home closures endangering our most vulnerable citizens and forcing more Illinois workers into crisis. Instead of cutting-- improving the salaries and benefits of direct care workers is critical to providing quality care and reducing turnover levels among Illinois' long-term care workers.

The Child Care Assistance Program is another essential Illinois program that must be protected – especially when economic times are tough. Illinois' Child Care Assistance Program gives low-income families access to quality, affordable child care so that parents are able to work or go to school. Currently, over 170,000 children receive care from approximately 40,000 child care providers around the state. SEIU Healthcare Illinois represent 35,000 of these providers, all of which offer child care services in their homes through this program. Our members provide critical early childhood care for Illinois' children and ensure that parents have access to safe, reliable child care while at work. Cuts to the Child Care Assistance Program would impact working families around the state. Without the Child Care Assistance Program, parents who are currently working would have to cut back their hours and be at risk of losing their jobs, or would be forced to quit working altogether in order to care for their children. The last thing Illinois needs or can afford is an unnecessary increase in unemployment and more barriers to finding work during a recession.

Finally, Illinois must ensure that families maintain access to vital healthcare services in their communities during this time of economic crisis. As unemployment rises and more families lose their health insurance, our already-strained community hospitals become even more important. We're already seeing the effects of payment delays caused by the budget crisis – hospitals are closing, already-low staffing levels are being cut, emergency room wait times are increasing, and routine exams and tests are taking months. Without a real, long-term solution to the budget crisis, these problems will only get worse. The state cannot afford to make any cuts to health care spending. Too many lives will be in serious jeopardy. Instead, the state must generate new revenue to ensure that

Illinois hospitals can serve the growing population of those in need of life-saving care now and in the future.

2) What revenue enhancements would you recommend be implemented to support those areas?

As we look to the year ahead, finding a lasting solution to the state's growing budget crisis must be a top priority. SEIU Healthcare Illinois understands that legislators must make difficult decisions in tough economic times, but quality care and critical state programs must be protected. Working families cannot stand a round of drastic cuts that threaten the services and care they depend on. The only alternative is to find new revenue and fix our broken system.

Illinois' current revenue system is fundamentally flawed. It places an unfair and disproportionate burden on low- and moderate-income families and it brings in an insufficient amount of revenue to appropriately and adequately fund vital state services, including education, health care and human services. SEIU Healthcare Illinois supports an income tax increase, along with other sources of new revenue, that will be significant enough to both address the structural deficit and allow for the appropriate and necessary growth of critical programs. Any income tax increase must also include provisions to ensure fairness for working families such as an increase in the Earned Income Tax Credit, an increase in the standard exemption and the creation of a Child Tax Credit to protect low- and moderate-income families.

There are many ways to structure a reform of Illinois' broken revenue system, but an income tax increase paired with these provisions is the only way to fix the inadequacy and lack of fairness that have helped cause the crisis we now face. This will ensure that an income tax increase significant enough to protect essential programs will not hurt the Illinois families who depend on them.

3) What reforms would you recommend in state-provided healthcare services to save taxpayers' money and improve access to services?

We do not have anything to offer at this time in terms of reforms in state-provided healthcare services but we are willing to look at any proposals the General Assembly has to offer.

4) How can the state improve service delivery while reducing expenses?

One specific way to reform state programs to address both access to services and reducing expenses would be to “re-balance” the long-term-care industry. The State of Illinois must take significant strides to shift care, where possible and desired by consumers, from long-term-care institutions and into programs that allow older adults and people with disabilities to remain in their homes through home- and community-based services. Such a shift would move towards a consumer-directed model in which people are in control of their own care in their own homes, saving the state significant financial resources. Providing quality, accessible and adequate community-based services to those who need them, allowing an individual to remain in their community versus an institution, can save the state thousands of dollars per year per consumer.

Further, such a re-balanced system must have a single point-of-entry for long-term care services. Currently the State has numerous long-term care programs offered through various departments and divisions. In turn, consumers often face a confusing maze of bureaucracy, while also finding differing levels of services depending on which department they end up in. This fragmented system is both an inefficient use of resources and a detriment to the needs of consumers who badly need quality and effective long-term care services to meet everyday needs. A single point-of-entry that allows consumers a choice in the type of care they receive will greatly improve service delivery while also eliminating layers of bureaucracy and inefficient use of resources.

A single point-of-entry long-term care system, with greater expansion of community-based services, will save taxpayers significant money while also greatly improving services to older adults and consumers with disabilities.

5) How can Illinois reduce healthcare fraud to save taxpayer dollars?

We don't have anything to offer on this point at this time but we are willing to look at whatever proposals the General Assembly has to offer.

6) What deficit reduction measures do you support?

SEIU Healthcare Illinois supports reducing the deficit via income tax increases, as mentioned above, that are adequate to address the State's deficit, while also allowing for both appropriate growth to programs and provisions that protect working families from being disproportionately hurt by income taxes.