

Impacts of Better Care Better Jobs Act on Home Care and Jobs



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The Better Care Better Jobs Act (BCBJA) features a substantial expansion in home care in the U.S. In this memo, we review evidence on the impact of several of the legislation's provisions and provide estimates of the impact of the BCBJA along three dimensions:

- Increase in the number of individuals receiving home and community-based services (HCBS)
- Increase in the number of informal caregivers who will get jobs.
- Increase in the number of direct care jobs that will be created delivering HCBS.

In what follows we first review evidence and some relevant facts on some expected impacts from the legislation. We then provide national and state specific estimates in the growth in the number of HCBS beneficiaries and in the number of new jobs.

Background on Population and Potential Impacts of Policy

The BCBJA makes an enormous commitment to expanding access to HCBS. We assess the impacts related to 5 provisions.

- Increasing financial eligibility to 300% of the FPL
- Required coverage of Personal Care Services
- Expanding care giver supports including respite care.
- Expanding access to behavioral health services.
- Promotion of self-directed care.

Before presenting our estimates, there are some important background facts to keep in mind:

1. About 27% of people age 65+ with LTSS needs fall into the bottom [5th of the income distribution](#) and about 30% of them have unmet LTSS needs. This population segment is growing (ASPE, 2020).

a. This population is also twice as likely to use a nursing home as are people with available family. The rate is at least 1.8 times higher than those with available family (ASPE, 2020).

2. There were an estimated 41.8 million caregivers for older adults in 2020. 80% of caregivers are of prime working age (18–64).

3. Personal care services have been shown to significantly reduce the unmet LTSS need among [people with low incomes and no family](#). It will also provide care giver relief and [promote employment among unpaid caregivers](#).

4. Psychological supports and counseling are effective in improving the well-being and mental health of caregivers, especially those that care for dementia patients.

5. Cash benefits, in the context of self-directed care, almost completely offset lost employment income by increasing the number of care givers with income. That in turns [increase economic stability of caregivers](#).

a. That said, direct HCBS services delivered in kind make [lower budget demands relative to cash benefits](#). This is because families will always fully use a cash benefit that they qualify to receive whereas in-kind services are used more sparingly.

To summarize, the expanded eligibility for HCBS and availability of Personal Care Services can be expected to reduce unmet need among low-income households with no available family for care and support. It also can be expected to reduce the likelihood of nursing home entry for some of that group. The expansion of Personal Care Services can also be expected to expand employment among caregivers, improve the mental health and well-being of care givers and increase employment more broadly.

Estimates

In what follows we provide national and state specific estimates in the growth in the number of HCBS beneficiaries and in the number of new jobs. We focus only on two provisions of the Act — the expanded eligibility to 300% and the requirement for personal care services. It is important to highlight that this is not a mandatory expansion — states have the option to receive enhanced match if they include these provisions, along with the others noted above. But for the purposes of these estimates we assume all states adopt these provisions. Note also that we are not including any effects of other important provisions of the bill, such as provision of respite care or behavioral health support for caregivers.

The estimates make use of data from the American Community Survey (ACS). At a high level, our calculations proceed as follows:

1. We begin with the number of non-institutionalized individuals receiving HCBS by state.
2. We then compute from the ACS the proportional rise in eligibility for HCBS caused by moving from current income standards to 300% FPL in every state.
3. We assume that this proportional rise will apply to receipt of HCBS services as well — that is, we assume that the newly eligible will use HCBS at the same rate as the existing eligible population.
4. We then use analysis by Karen Shen that estimates that adding PCS to a state plan increases use of formal HCBS services by 50%. We then apply that to the 17 states that do not currently have PCS in their state plan.
5. We add these two elements to get total new use of formal HCBS.
6. To get the effect on employment of existing informal caregivers, we use the estimate from Shen that one caregiver becomes employed for every 2.4–3 elderly receiving home care; we conservatively assume 3.
7. Finally, to get direct care jobs created, we use the fact that in 2010 there were [6.2 home health users per FTE home health aide/personal care aide](#)

Our results are shown in Table 1, by state and with national totals.

- The second column shows 2018 HCBS recipients by state.
- The third column shows the percentage increase in eligibility resulting from increasing financial eligibility to 300% of FPL across the nation. For that vast majority of states, which currently have eligibility standards at 222% of poverty, this is roughly 20–25% increase; but for a few states, where standards are much lower currently, this is a much larger increase.
- Column four multiplies the two to show the number of new HCBS users arising from expanded eligibility.
- Column five shows which states do not have PCS as part of their state plans (denoted with a 1) as opposed to already including them (0).
- Column 6 shows the increase in HCBS use from adding PCS to the state plan, using the impact estimate from Shen.
- Column 7 adds columns 4 & 6 together to get the total change in HCBS enrollment.
- Column 8 shows the change in employment among informal caregivers from relieving them of their burden with additional formal care.

- The last column shows the number of direct caregiver jobs created.

Overall, we find that baseline HCBS use rises by 3.2 million persons, which is an 88% rise in HCBS users, if all states apply and receive approval for HCBS expansion. Three quarters of this effect comes from expanding eligibility to 300% FPL; 25% of that arises from increased enrollment in CA alone (since the current standard in CA is 138% of FPL, rather than 222% in most states).

We also estimate that this will create more than 1.1 million new jobs by providing new opportunities to caregivers who face reduced caregiving responsibilities. In addition, another 516,000 new jobs will be created by creating opportunities to provide direct care under expanded HCBS.

State	2018 HCBS	300% rise	Elig Delta	Non- PCS	PCS delta	TOTAL delta	Jobs
Alabama	196856	0.21	40784	1	118820	159604	51485
Alaska	9547	0.14	1360	0	0	1360	439
Arizona	43137	0.24	10486	1	26811	37297	12031
Arkansas	29060	0.21	6144	0	0	6144	1982
California	655793	0.88	574092	0	0	574092	185191
Colorado	43749	0.25	10871	1	27310	38180	12316
Connecticut	44396	0.19	8565	1	26481	35046	11305
Delaware	1941	0.31	601	0	0	601	194
DC	16492	0.17	2835	0	0	2835	915
Florida	119399	0.26	30544	0	0	30544	9853
Georgia	54442	0.27	14928	1	34685	49613	16004
Hawaii	3964	1.23	4860	1	4412	9272	2991
Idaho	22275	0.25	5628	0	0	5628	1815
Illinois	181768	1.66	300975	1	241371	542346	174950
Indiana	35609	0.28	9882	1	22745	32627	10525
Iowa	46261	0.22	10321	1	28291	38612	12456
Kansas	51027	0.26	13245	0	0	13245	4273
Kentucky	26827	0.22	6022	1	16425	22447	7241
Louisiana	43923	0.19	8309	0	0	8309	2680
Maine	20480	0.19	3801	0	0	3801	1226
Maryland	34918	0.19	6578	0	0	6578	2122
Massachusetts	102953	0.17	17842	0	0	17842	5755
Michigan	103709	0.24	25270	0	0	25270	8152
Minnesota	171032	0.25	42550	0	0	42550	13726
Mississippi	28738	0.22	6195	1	17467	23662	7633
Missouri	89805	1.02	91334	0	0	91334	29463
Montana	12126	3.5	42451	0	0	42451	13694
Nebraska	13837	1.36	18852	0	0	18852	6081
Nevada	18268	0.25	4533	0	0	4533	1462
New Hampshire	15735	0.33	5244	0	0	5244	1692
New Jersey	49827	0.29	14318	0	0	14318	4619
New Mexico	27387	0.16	4412	0	0	4412	1423
New York	308859	1.88	581565	0	0	581565	187602
North Carolina	105326	1.97	207512	0	0	207512	66939
North Dakota	7875	2.1	16551	0	0	16551	5339
Ohio	113996	0.25	29019	1	71508	100527	32428
Oklahoma	32771	0.16	5139	0	0	5139	1658
Oregon	50056	0.27	13391	0	0	13391	4320
Pennsylvania	140984	0.23	33050	1	87017	120067	38731
Rhode Island	14644	1.49	21780	0	0	21780	7026
South Carolina	39437	0.27	10699	1	25068	35766	11538
South Dakota	6058	0.27	1610	0	0	1610	519
Tennessee	37477	0.24	8892	1	23184	32076	10347
Texas	202028	0.26	52939	0	0	52939	17077
Utah	9024	0.32	2846	0	0	2846	918
Vermont	11975	0.06	747	0	0	747	241
Virginia	47269	0.28	13085	1	30177	43263	13956
Washington	72395	0.25	17780	0	0	17780	5736
West Virginia	28596	0.28	8065	0	0	8065	2602
Wisconsin	78944	0.3	23452	0	0	23452	7565
Wyoming	6206	0.28	1767	1	3987	5754	1856
Totals	3629200		2393723		805758	3199481	1032091