

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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SENATE BILL 450*
PROPOSED COMMITTEE SUBSTITUTE S450-PCS85185-SQ-14

Short Title: Direct Care Worker Wage and Benefit Study.

(Public)

Sponsors:

Referred to:

March 30, 2011

1 A BILL TO BE ENTITLED
2 AN ACT TO DIRECT A STUDY OF DIRECT CARE WORKER WAGES AND BENEFITS
3 TO EXAMINE WAYS TO REDUCE TURNOVER AND ADDRESS THE
4 ANTICIPATED DIRECT CARE WORKER SHORTAGE RESULTING FROM
5 INCREASED DEMAND FROM AGING BABY BOOMERS, AS RECOMMENDED BY
6 THE NORTH CAROLINA STUDY COMMISSION ON AGING.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.(a)** The Division of Health Service Regulation, Department of Health
9 and Human Services, shall coordinate a study of direct care worker wages and benefits and the
10 impact these have on the supply of prospective employees and employee turnover. The study
11 shall include representatives from the Division of Health Service Regulation, Division of Aging
12 and Adult Services, and the Division of Medical Assistance, Department of Health and Human
13 Services; the Labor Market Information Division, Employment Security Commission; the
14 North Carolina Board of Nursing; the Direct Care Workers Association of North Carolina; the
15 North Carolina Medical Society; the North Carolina Health Care Facilities Association; the
16 North Carolina Hospital Association; the Association for Home and Hospice Care of North
17 Carolina; the North Carolina Assisted Living Association; the North Carolina Association of
18 Long Term Care Facilities; the North Carolina Adult Day Services Association; and the North
19 Carolina Association of Non-Profit Homes for the Aging.

20 **SECTION 1.(b)** Consistent with Recommendation 3 contained in the report on
21 S.L. 2010-69, the study shall focus on wages and benefits paid to direct care workers and ways
22 to increase the supply of direct care workers and to reduce turnover rates. The study shall
23 examine, but is not limited to, the elements listed below.

- 24 (1) Rates of pay and benefits currently offered by those entities that employ
25 direct care workers.
26 (2) Direct care worker turnover rates found in those entities that employ direct
27 care workers.
28 (3) Research indicating what factors increase retention of direct care workers.
29 (4) Research indicating whether there is an optimal combination of salary and
30 benefits that reduces direct care worker turnover and examples of where
31 those levels have been effective at lowering turnover.
32 (5) Research indicating whether merit pay results in improved job performance
33 and reduces turnover of direct care workers.



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- 1 (6) Possible changes to Medicaid and State/County Special Assistance that
2 could reward direct care workers of providers who achieve NC NOVA
3 special licensure status.
4 (7) Whether individuals receiving unemployment could be trained as direct care
5 workers.
6 (8) Ways the State could encourage an increase in the supply of direct care
7 workers.
8 **SECTION 1.(c)** The Division of Health Service Regulation shall report the results
9 of this study to the North Carolina Study Commission on Aging on or before October 1, 2012.
10 **SECTION 2.** This act is effective when it becomes law.