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Rep. Lynn Woolsey (D-CA) Opening Statement for the Hearing on Overtime and Minimum Wage Protections for Home Health Workers

WASHINGTON, D.C. – Below are the prepared remarks of U.S. Rep. Lynn Woolsey (D-CA), the ranking member of the Workforce Protections Subcommittee of the House Committee on Education and the Workforce.

Mr. Chairman, the nation's nearly 2 million home care workers, the overwhelming majority of whom are women and minorities, are currently excluded from federal minimum wage and overtime protections under the Fair Labor Standards Act (FLSA).

Home care workers help patients live in their homes and assist them with eating, dressing, bathing, preparing meals, medication management, light travel and other services. They are a productive workforce for a booming, profitable industry and deserve the basic minimum wage and overtime protections of the FLSA.

The modern home care workforce performs a wide range of functions far exceeding the fellowship and protection services that Congress envisioned when this exemption was first created.

The home care industry on the other hand makes profits of 30 to 40 percent in a \$70 billion a year industry. However, the median annual wage for home care workers is under \$20,000 a year, which has led to high turnover rates and increased employers' costs that also affect the quality of care the client receives.

To address this issue, the Department of Labor issued a proposed rule to extend minimum wage and overtime protections under the FLSA, providing basic wage and hour protections to a growing sector of the workforce and would put more money in the pockets of low-wage workers which would spur economic growth.

This proposal discourages excessive overtime which often leads to workplace injuries, illnesses and fatigue. It would also likely result in a reduced reliance on public benefits---40 percent of the workers affected by the proposed rule rely on programs like Medicaid and food stamps so in reality, the taxpayers make up the difference so the business owners can profit.

Let's be clear, nothing in this proposal requires an increase in the cost of providing home care services. What this proposal requires is that the individuals providing care be compensated

fairly. I know that there are some who say that if we pay home health care workers a decent wage, the elderly and disabled will not be able to afford in-home care.

However, the issue threatening affordable, quality home care is not paying minimum wage to home health workers providing care, it is promoting a business model that allows for the generation of \$70 billion in annual profit on the backs of its workers, as many as 50 percent of whom rely on some form of public assistance to make ends meet.

DOL analyzed the impact of this proposal on Medicare and Medicaid and found that it would not have a direct effect on federal spending. 21 states already provide some coverage under state minimum wage and overtime laws. These states demonstrate that it is possible to extend these critical protections in an economically responsible manner without disastrous consequence.

In fact, Mr. Chairman, your home state of Michigan already has minimum wage and overtime coverage for home care workers and has not seen an increase in the cost of these services nor has there been widespread unwanted institutionalization of elderly or disabled individuals.

I'm certain that by convening this hearing, you are not suggesting that workers in your state be stripped of their current protections under Michigan State law, so I look forward to learning from the positive Michigan experience and hearing from today's witnesses.

<http://democrats.edworkforce.house.gov>