



SKILLS FOR AN INCLUSIVE HEALTHCARE ECONOMY





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The pandemic has impacted every industry differently and each industry's trajectory out of this recession will look different. The experience of certain workers and local firms within each industry will differ as well. National Skills Coalition (NSC) and Business Leaders United (BLU) convened a Healthcare Industry Recovery Panel of leading experts working in local communities. We wanted to learn what an effective, equitable plan for America's allied and direct care workforce needs to include. Panelists represent business, labor, education and training organizations, and others working in or with the allied and direct care segments of the health-care industry.

Allied and direct healthcare workers have been on the pandemic's frontlines caring for people in the most high-risk settings. Occupational segregation has concentrated immigrants and people of color, particularly women, in these skilled, high-risk, often underpaid jobs.¹ People of color accounted for two-thirds of COVID-19 deaths among healthcare workers overall. People born outside of the U.S. represented more than one-third. Twice as many nursing home workers died from COVID-19 as their colleagues working in hospitals.²

Demand for allied and direct healthcare professionals was high before the virus hit. Employment in healthcare occupations will grow 15 percent from 2019 to 2029, adding 2.4 million new jobs. Allied health jobs will grow at twice the rate of other occupations, including health and personal care aides which are projected to grow by 34 percent.³ This demand is not surprising given that America's senior population will double by 2050.

On March 31, President Biden put forward the American Jobs Plan (AJP). The plan proposed \$400 billion over eight years to build the country's Care Economy infrastructure. The investments would expand home- or community-based care with a goal of improving pay and working conditions for direct care workers. AJP also includes a proposed \$100 billion investment in workforce development to support the manufacturing, infrastructure, and healthcare job creation investments under the proposal.

Through the AJP, the President has committed to addressing the inequitable impact of the pandemic on the lives and livelihoods of women and people of color. The racial and gender occupational segregation of the direct and allied healthcare workforce, and the prevalence of high-risk, low-quality jobs, make this commitment to equity a moral and economic imperative.

THE AMERICAN JOBS PLAN



NSC and BLU interviewed individual panelists and convened the full Healthcare Industry Recovery Panel for group discussions. Themes emerged about the pandemic's impact on the industry, as well as essential components of an inclusive recovery.

Prior to the pandemic long term care facilities and home care were experiencing significant shortages in staffing caused by underpaid labor, lack of access to training, and opaque career advancement tracks. Low reimbursement rates from Medicare and Medicaid limited the ability of many employers to increase pay. Turnover was high. According to PHI, median annual turnover among nursing assistants in nursing homes was 99 percent from 2016 to 2019.⁴

There was a strong need for culturally and linguistically capable workers in allied and direct care roles. Rural hospitals were seeking talent across the board. Pharmacy technician positions grew as drug store chains increased health care services. Hospitals and long-term care employers were making concerted efforts to grow talent from within. In some regions, sector partnership intermediaries were working with providers to define and support career pathways within and across the continuum of care.⁵ Community colleges were important sources of new graduates, but some hospitals insisted on hiring experienced personnel. New healthcare apprenticeships were emerging.

With the pandemic's explosion of patient needs, allied healthcare workers took on new roles under new strains. Many had to leave their jobs to care for children when schools closed, increasing job openings. Most frontline healthcare workers in home care and nursing facilities continued to be underpaid. As a result, when e-commerce delivery and warehouse employers advertised higher pay, lower job stress, many direct care workers left the industry.

The pandemic generated new jobs. New pandemic-response occupations such as temperature taker, contact tracer, disinfectant cleaner, health outreach worker, and vaccinator attracted people experiencing unemployment into temporary jobs in the healthcare field.

The pandemic also generated new ways of doing jobs. Out of necessity, the pandemic fostered innovations to respond to new demands and mitigate risk. This innovation will create new opportunities for industry responsiveness and new models of care in the future. But innovation will also require ongoing access to training, particularly for technology-based innovations.

The need for workforce solutions cuts across the healthcare workforce and subsectors. Temporary pandemic-response workers will need opportunities to train for permanent jobs across the continuum of care. With new investments in community-based care, there are

opportunities to support workers in hard hit industries like retail and hospitality to transition into the healthcare field. New investments will also create opportunities for incumbent workers in hospitals, long-term care facilities, and other settings to advance into new positions within or outside their subsector.

Attracting, retaining, and promoting new, recent, and incumbent workers to respond to the nation's growing healthcare needs will require improved pay and working conditions. It will also require investments in ongoing language training, cultural competency, digital literacy, and occupational specific skills. Wrap-around support services will also be essential. This wholistic approach to job quality, training, and supports will be essential to achieving the equity goals put forward by the President under AJP.

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POLICY RECOMMENDATIONS



PRIORITIZE WORKFORCE INVESTMENTS AND EQUITY UNDER THE AMERICAN JOBS PLAN

Healthcare industry stakeholders point to three key considerations for federal investments. First, the final version of the American Jobs Plan must include resources to train new and incumbent workers for an expanded caring economy. Second, investments in childcare, transportation assistance, and other wrap-around supports are necessary to help workers train and stay on the job. Quality, affordable, flexible childcare in particular is essential given the gender based occupational segregation of direct and allied healthcare. Finally, job quality and equity goals under AJP are only meaningful if they are measured.

- ▶ **Invest in skills.** Congress must ensure that the \$100 billion for workforce training in President Biden's proposed American Jobs Plan (AJP) is fully authorized. Additional essential investments outside of AJP are outlined throughout this brief.
- ▶ **Invest in wrap-around supports for job seekers and workers.** Wrap around support services are essential for people training to enter the healthcare field and incumbent workers. The President's American Family Plan (AFP) – a companion to the American Jobs Plan – includes expanded support for childcare. The AFP also includes proposals to expand wrap-around support services that would be available to incumbent workers pursuing training under the President's community college plan. Congress should make these investments.
- ▶ **Measure equitable and improved outcomes.** Federal investments in job creation should require reporting on hires, wages, and industry-connected advancement with attention to race, gender, and whether those hired previously worked in that industry. Federal investments in the care economy should be assessed in terms of impact on job retention/stability. AJP should strengthen

accountability provisions for existing federal investments in the care economy in terms of hiring, retention, and advancement of women and people of color across the continuum of care. AJP should also require assessment of the impact of technology on the retention, advancement, and displacement of workers disaggregated by race and gender.

SUPPORT INDUSTRY ENGAGEMENT AND EQUITABLE CAREER PATHWAYS ACROSS THE CONTINUUM OF CARE

Underpaid labor, lack of access to training, and lack of transparent and accessible career advancement have contributed to labor shortages in direct and community-based healthcare. Inelastic federal Medicare and Medicaid reimbursement rates have constrained employer and union efforts to increase wages in the sector, an essential part of worker retention and advancement.

Jobs in long-term care or home care are more attractive when they pay well, but also when it's clear that those jobs can be a starting point into a longer, higher paying career path. Some healthcare providers have made their internal advancement pathways transparent, and in some regions, industry partnerships have made pathways more transparent across employers within a subsector and across the local continuum of care. Industry partnerships give voice to all stakeholders in an industry – business, labor, training and support providers – as well as a voice to subsectors of the industry. They develop targeted and coordinated training solutions that meet the unique needs of each subsector, and the industry as a whole, so that healthcare employers throughout the continuum of care can cooperate, rather than compete with each other. This industry coordination ultimately supports a stronger workforce ecosystem benefiting workers, employers, and healthcare consumers. Industry partnerships can also work with employers across an industry to adopt equitable policies



and practices that increase the retention and advancement of women and people of color who are concentrated in entry level jobs.

But there are barriers to these efforts that must be addressed. Lack of sustained, dedicated funding for local industry partnerships across federal administrations has disrupted industry responsive, inclusive career pathway efforts. In addition, state occupational licensing requirements have created barriers to transparent, accessible career pathways within a region, let alone across state lines.

Recommendation:

- ▶ **Increase Medicare and Medicaid reimbursement rates.** Better paying jobs attract more workers and reduce turnover, which means that training investments have a long-term payoff. Congress and the Biden administration should increase Medicare and Medicaid reimbursement rates so that workers are paid a fair wage and benefits for their skilled labor. This is an equity issue given the racial and gender segregation in direct and frontline healthcare.
- ▶ **Invest in Multi-Stakeholder Industry Partnerships to support inclusive career pathways.** Industry partnerships are a proven multi-stakeholder approach to helping workers enter and advance along career pathways and helping local companies and subsectors within an industry support an inclusive talent ecosystem. Congress should provide dedicated, sustained funding to local industry partnerships to develop clearly articulated career pathways and regional, industry specific training, hiring and advancement strategies. Congress should also

provide targeted support to these industry partnerships to help employers, unions, training providers and other stakeholders adopt and measure equitable and inclusive practices around hiring, compensation, retention, and advancement.

- ▶ **Encourage state flexibility to support worker advancement and talent pipelines.** Encourage states to allow regional industry partnerships the flexibility to develop predictable pathways for training and advancement within state regulatory frameworks and to advocate for modifications to legal hiring restrictions that create barriers for worker advancement.

SUPPORT NIMBLE INDUSTRY- AND WORKER-RESPONSIVE TRAINING AND TUITION ASSISTANCE

The pandemic accelerated the development of new hybrid occupations that combine skills that do not fit neatly into current academic credentialing systems. New, creative, flexibly paced learning models whether in the form of apprenticeships, short-term training, or integrated education allow workers, employers, and training providers to quickly adapt to changing industry needs. In addition, language skills continue to represent a critical need for potential new entrants into the industry. This includes English language acquisition, but also occupational instruction in a person's native language so that they can provide care to health-care consumers with different language needs. Whatever the training model, for frontline staff to take advantage of career advancement opportunities, tuition assistance and wrap-around supports are essential.

Recommendations:

- ▶ **Fund integrated education and training to build foundational language and math skills.** Many individuals seeking to enter or advance in allied and direct care fields will need support to build basic academic skills. These include English language, math, and digital literacy skills. For an industry that depends on immigrant workers, access to occupational English language instruction is essential. Under an integrated education and training model (IET), participants receive simultaneous instruction in basic skills as well as training for a specific occupation or industry. Congress should provide new, dedicated funding to support state or local implementation of IET through the Workforce Innovation and Opportunity Act and the Higher Education Act.
- ▶ **Expand access to Pell grants for high-quality, short-term training.** Congress should expand Federal financial aid to high-quality, short-term training programs that help workers rapidly upskill for new or higher-level positions. Congress should expand access to Pell grants to ensure more workers can access high-quality community and technical college programs. One current



proposal, the JOBS Act, includes strong quality assurance provisions including but not limited to: training must be aligned with requirements of employers in a state or local area; have an accrediting agency evaluate the programs for quality and student outcomes; and satisfy any applicable prerequisites for professional licensure or certification. In addition, the JOBS Act excludes proprietary institutions.

- ▶ **Expand apprenticeship through the bipartisan PARTNERS Act.** The bill would establish a grant program to support the creation and expansion of industry and sector partnerships to help small- and medium-sized businesses develop work-based learning programs and supports to ensure workers have access to and succeed in these programs. Along with the SKILL UP Act, PARTNERS Act could help expand flexible, nimble work-based learning and apprenticeships in the healthcare field.
- ▶ **Pass the Pathways to Healthcare Careers Act to support industry targeted training.** The bill would reauthorize the highly successful Healthcare Professionals Opportunity Grants (HPOG) program, which combines job training with critical wrap-around supports. It would increase funding to \$2.1 billion over 5 years and provide targeted resources to rural and tribal communities.
- ▶ **Fund training provider capacity.** Sustainable, long-term investment in training provider capacity is essential to building the infrastructure for a care economy. Some community colleges have had to turn away hundreds of students primarily because of capacity constraints at a faculty level. Investments under AJP and the Perkins Career and Technical Education Act can support training provider capacity.

ENSURE HEALTHCARE WORKERS AND EMPLOYERS CAN ADOPT AND ADAPT TO NEW INNOVATIONS

With the pandemic, the use of technology in healthcare didn't just accelerate. It exploded. Industry leaders note that these shifts have particularly impacted workers of color and challenge their ability to navigate career mobility. Data from a respected international assessment show that 12 percent of currently employed American health and social assistance workers have no digital skills, and an additional 21 percent have very limited digital skills. Industry leaders need support for helping new and incumbent workers build foundational digital skills that give them a baseline for adapting to ongoing technological change, while also developing higher-level industry- and job-specific digital skills.

In addition, there is currently little investment in supporting healthcare employers in harnessing innovations, adopting new technologies, and adapting to technological change. The manufacturing industry has the Commerce Department supported Manufacturing Extension Partnerships (MEPs) to advise and facilitate the adoption of new technologies and innovations. A similar, federally funded network of state-based partnerships could support healthcare providers, particularly small and mid-sized companies, that need reasonably priced assistance.

Recommendations:

- ▶ **Pass the bipartisan Digital Equity Act and Invest in new Digital Literacy Upskilling Grants.** Through the bipartisan Digital Equity Act, Congress should make a dedicated investment to help states pursue digital inclusion and skill building through \$1 billion in new funding. This should include formula funding for all states

to support capacity-building and digital equity planning, and a competitive grant program to invest in best practices and spur innovation among states. Congress should also make a federal commitment to occupational digital literacy through a new national grant program. These new Digital Literacy Upskilling Grants would expand access to high quality digital skills instruction that meets industry and worker needs.

- ▶ **Develop a measurable national standard for industry-specific digital upskilling efforts.** Congress should define and embed occupational digital literacy in workforce and education policies like Workforce Innovation and Opportunity Act (WIOA) Title I and II, backed by funding to support quality digital skills training through existing policies as well as new Digital Literacy Upskilling Grants.
- ▶ **Expand access to broadband and high-quality devices.** Many community colleges, community training providers, and labor management training partnerships transitioned to delivering training digitally to healthcare workers during the pandemic. Like access to digital skill building, access to broadband and devices is an equity issue for workers.
- ▶ **Create a Healthcare Extension Partnership program to help local providers innovate and adopt new technologies.** Congress should fund a new network of 21st Century Extension Partnerships (based on Manufacturing Extension Partnerships but expanded into other industries) to support the adoption of new technologies by healthcare providers that can support innovation and improved job quality/retention, particularly in long-term care.

INCENTIVIZE EMPLOYER INVESTMENT IN WORKER TRAINING AND ADVANCEMENT

Healthcare institutions need dedicated resources to support and incentivize internal workforce development including mapping internal career pathways, career coaching, work-based learning, and identifying and/or providing worker supports such as childcare, behavioral health counseling and transportation. But traditional tax incentives do not help most healthcare institutions which have no or limited tax liability.

Recommendations:

- ▶ **Pass the bipartisan SKILL UP Act.** Congress should empower businesses to invest in skills training opportunities for workers who need it the most. The SKILL UP Act would expand the Work Opportunity Tax Credit to



provide businesses with an increased credit for training workers through apprenticeship and work-based learning opportunities. Currently, tax-exempt businesses (of which there are many in the healthcare sector) may apply WOTC to payroll taxes if they are hiring veterans. SKILL UP expands this option to a broad set of workers, including, but not limited to, individuals receiving public assistance.

- ▶ **Expand the Section 127 tuition reimbursement program.** Sec. 127 allows individuals to receive up to \$5,250 in tuition reimbursement from their employer without this amount counting towards their taxable income for the year. Particularly for small- and medium-sized businesses, this tuition reimbursement credit serves as a recruitment tool for new workers, a way to retain and upskill existing talent, and a foundation for partnerships with local community and technical colleges who provide workers' classroom education. However, the annual amount of assistance has not been increased since the benefit was created over 40 years ago. Congress should increase the annual benefit amount to \$11,500, indexed for inflation. In addition, Section 127 should be expanded beyond tuition, fees and books to include other essential educational expenses such as tools, computers, and broadband.

Endnotes

- 1 According to the Bureau of Labor Statistics, healthcare support occupations had a median annual wage of \$29,960 in May 2020, lower than the median annual wage for all occupations in the economy.
- 2 "Lost on the Frontline," Kaiser Health News and The Guardian, April 2021.
- 3 Bureau of Labor Statistics, Healthcare Occupations, Occupational Outlook Handbook.
- 4 Stephen Campbell, "Will COVID-19 Change Direct Care Employment?" Paraprofessional Health Institute blog, April 12, 2021.
- 5 Continuum of care in this brief refers to subsectors of healthcare, including acute care (e.g., hospitals), ambulatory care, home care, extended care (e.g., nursing homes and rehabilitation facilities), and preventative care (e.g., doctors' offices). Allied and direct care workers are needed across these subsectors.



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