

Rehabilitation and Community Providers Association

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RCPA: Gov. Wolf's Proposed Minimum Wage Increase & Overtime Rule Change Would Hurt Health & Human Service Providers

HARRISBURG, Pa. (Jan. 29, 2020) --- Rehabilitation and Community Providers Association (RCPA) President/CEO Richard Edley, PhD, today issued the following statement regarding Gov. Tom Wolf's renewed effort to increase the Commonwealth's minimum wage immediately to \$12 per hour and then to \$15 per hour by 2025, and to continue his pursuit to change to the Commonwealth's overtime eligibility rules.

"RCPA and its members of course support increasing staff wages. However, it should also be noted that for years the state has not adequately increased Medicaid reimbursement rates to community providers who care for the most vulnerable individuals throughout the state. Because of the low reimbursement rates, providers are already struggling to fill positions and retain qualified individuals. Unilaterally raising wages without a corresponding provider rate increase to cover these wages only addresses one side of the equation."

"In addition, the governor also proposes to change the state's overtime rule. Together with the raise in minimum wage, these changes are well-intentioned. But again, these changes will have to address how it will impact our industry as a whole. In theory, RCPA supports an increase in workers' wages, but in practice that will make it more difficult if reimbursement to the provider is not adequately considered."

"The governor is taking off the table what appeared to be a bipartisan compromise agreed to last year with Senate Republicans to increase the Commonwealth's minimum wage gradually to \$9.50 per hour by 2022 in exchange for the governor dropping his proposed overtime rule change. Calling for an immediate increase in the minimum wage to \$12 per hour, and eventually increasing the minimum wage to \$15 per hour, plus the new overtime rule, will potentially have a dramatic effect on the state's health and human service providers."

"RCPA encourages the governor and members of the House of Representatives to continue to work on a compromise regarding minimum wage and the proposed overtime rule as set forth in Senate Bill 79."

About the Rehabilitation and Community Providers Association (RCPA):

With well over 350 members, the majority of who serve over 1 million Pennsylvanians annually, Rehabilitation and Community Providers Association (RCPA) is among the largest and most diverse state health and human services trade associations in the nation. RCPA provider members offer mental health, drug and alcohol, intellectual and developmental disabilities, children's, brain injury, medical rehabilitation, and physical disabilities and aging services, through all settings and levels of care. Visit www.paproviders.org for more information.

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