



Supporting Materials — Agency-Directed Personal Care Budget Considerations

The attached materials provide supplemental context to inform budget deliberations related to personal care services. They include modeled policy impact data, historical comparisons between minimum wage growth and reimbursement rates, and a visual comparison of consumer-directed and agency-directed reimbursement structures.

These resources are intended to support a clearer understanding of cost drivers and service delivery realities affecting provider participation and access to care across Virginia.



Policy Impact Analysis

Virginia is considering workforce policy changes — including minimum wage increases, paid sick leave, and paid family and medical leave — that will raise the cost of delivering personal care services.

VAPCP prepared this analysis to provide context for legislative discussions by illustrating how these policy changes may affect personal care agencies. The materials that follow present supporting data referenced in our advocacy materials and are intended as a transparent, conservative modeling exercise, not as projections of any individual provider's financial performance.

Modeled Representative Agency-Directed Personal Care Provider Profile

<i>Metric</i>	<i>Modeled Assumption</i>
Caregivers	120
Average Weekly Hours/Caregiver	30
Annual Service Hours	187,200
Wage Baseline	\$12.77
Worker's Comp	2% payroll
Payroll Burden	11%
Paid Family Medical Leave Contribution Rate	0.8% (typical rate)
Paid Sick Leave Utilization	40 hours per caregiver

Modeled Annual Labor Cost Impact

Current Environment	\$2.7M
Post Minimum Wage Increase	\$3.2M
Increase	\$480k
<i>Additional Policy Impacts</i>	
Paid Sick Leave	\$72k
Paid Family Medical Leave Contribution	\$22k
<i>Total Modeled Increase: \$574,000 annually</i> Cost reflects wages and payroll-related employer obligations only. Administrative, supervisory, insurance, compliance and other costs are excluded.	



Minimum Wage vs Reimbursement Context

<i>Minimum Wage Growth in Virginia</i>	
Year	Minimum Wage
2019	\$7.25
2026	\$12.77
Projected 2028	\$15.00
<i>Minimum Wage Increase since 2019: 76% (projected > 100%)</i>	

<i>Agency-Directed Personal Care Reimbursement Growth in Virginia</i>		
Year	Rest-of-State Reimbursement	NOVA Reimbursement
2019	\$13.70	\$16.14
2026	\$20.23	\$23.81
<i>Agency-Directed Personal Care Increase since 2019: 48%</i>		

As shown above, the Agency-Directed Personal Care reimbursement rate has not kept pace with the minimum wage increases.



The illustration below shows that the reimbursement rate for the Consumer-Directed Personal Care program only covers caregiver wages. The other program costs are paid for by the state separately.

The reimbursement rate for the Agency-Directed Personal Care program covers all operational costs of the program, as well as caregiver wages.

Consumer-Directed Program



Caregiver Wages Only

Other Costs Covered by Virginia:



Agency-Directed Program



All Costs Covered by the Agency

