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Case Studies of Worker Cooperatives in Health

Cooperative Home Care Associates

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Abstract: Cooperative Home Care Associates (CHCA) holds a significant place within the U.S. worker cooperative and long-term care landscape. For decades, it has been the largest worker cooperative in the country by some distance. CHCA workers are also members of the largest union in the country, 1199Service Employees International Union-United Healthcare Workers East (1199SEIU). Through its own developmental path and partnership with the union, CHCA has established itself as a key touchstone for others seeking to build cooperative models at scale. But it also faces ongoing challenges reconciling its mission with the structural inequalities and profit-driven imperatives of the home care and larger healthcare systems. This profile charts CHCA's efforts to advance workplace democracy and job quality internally and shift a broader set of conditions that devalue home care labor, contributing to serious workforce shortages in the field.

Topics: Sociology, Management, Organizational Behavior, Labor Studies, cooperatives, unions, home care, job quality

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This is a working paper case study. Additional versions of this case study may appear in print.

Overview

Cooperative Home Care Associates (CHCA) holds a significant place within the U.S. worker cooperative and long-term care landscape. For decades, it has been the largest worker cooperative in the country by some distance. CHCA workers are also members of the largest union in the country, 1199Service Employees International Union-United Healthcare Workers East (1199SEIU). Through its own developmental path and partnership with the union, CHCA has established itself as a key touchstone for others seeking to build cooperative models at scale. But it also faces ongoing challenges reconciling its mission with the structural inequalities and profit-driven imperatives of the home care and larger healthcare systems. This profile charts CHCA's efforts to advance workplace democracy and job quality internally and shift a broader set of conditions that devalue home care labor, contributing to serious workforce shortages in the field.

Linking Two Approaches to Confronting Inequality

Disproportionately women and people of color, frontline healthcare workers have long seen their labor devalued and rendered invisible.¹ Those providing in-home support services to seniors and people with disabilities comprise a particularly invisible and undervalued segment of this workforce.² Even with the expansion of home care facilitating the “deinstitutionalization” of long-term care in publicly funded health systems,³ public policy has frequently reinforced this dynamic. Home care workers continue to be excluded from key labor and employment rights due to exclusions dating back to the New Deal era,⁴ and policymakers have long set government reimbursement rates at low levels based on the assumption that those doing the work - disproportionately women of color - can supply these services cheaply.⁵

Unionization and worker co-op development have helped to improve conditions for home care workers. In recent decades, home care workers working in the publicly funded system have

¹ Jones, A. (2019). Agents of change: How Allied healthcare workers transform inequalities in the healthcare industry. In *Structural Competency in Mental Health and Medicine* (pp. 191-209). Springer, Cham.

² In addition to medical care that home care workers provide, often under the supervision of other healthcare professionals, much of their work often includes support for activities of daily living (ADL) such as bathing and toileting, and instrumental activities of daily living (IADLs) like home maintenance and managing medications. For more detail on how these categories are defined, see <https://betterhealthwhileaging.net/what-are-adls-and-iadls/>.

³ Boris, E., & Klein, J. (2015). *Caring for America: Home health workers in the shadow of the welfare state*. Oxford University Press.

⁴ Perea, J. F. (2011). The echoes of slavery: Recognizing the racist origins of the agricultural and domestic worker exclusion from the National Labor Relations Act. *Ohio St. LJ*, 72, 95. Despite some progress towards addressing these exclusions, implementation within states remains challenging. See <https://www.nelp.org/wp-content/uploads/Fact-Sheet-USDOL-Home-Care-Rules-Good-Implementation.pdf>.

⁵ Boris, E., & Klein, J. (2015).

unionized across a number of states.⁶ Though government reimbursement rates limit the room for maneuver on pay, unionized workers tend to earn higher wages and enjoy better fringe benefits, resulting in lower turnover rates.⁷ On a smaller scale, several home care worker cooperatives have formed around the country. According to a recent report, 14 of these co-ops were active in the U.S. in 2020, operating in both the private pay and publicly funded systems. Like unions, worker cooperatives are associated with higher wages and lower turnover.⁸

CHCA sits at the intersection of these two approaches to improving conditions for home care workers. Combining “democratic” and “stakeholder” modes of governance, it is both a worker cooperative governed through representative channels by its broad membership base and a “model employer” for 1199Service Employees International Union-United Healthcare Workers East (1199SEIU), its union partner.⁹

CHCA’s Path to Scale and Power

Launched in 1985, CHCA was founded in the Bronx, New York, with the intention of creating a scalable model that would expand voice and improve job quality for home care workers, serving as an example for other industry players. Establishing its first contract with Montefiore Hospital, the co-op had a dozen workers when it launched - around the size of the average worker co-op in the U.S.¹⁰ It had grown to 60 workers by the end of its first year.

CHCA’s formation was supported by an initial \$485,000 investment from Community Service Society of New York, a charitable organization that seeks to strengthen the social safety net and advance greater access and inclusion in healthcare, transportation, housing, and other systems. The co-op also received significant support from foundations.¹¹ In addition to supporting basic

⁶ In many cases, unionization has occurred under a “public authority model” whereby government authorities (e.g., county health commissions) are established as the relevant bargaining partner of record. In others, home care agencies operating largely in the publicly funded system have been unionized. See Boris, E., & Klein, J. (2006). Organizing home care: Low-waged workers in the welfare state. *Politics & Society*, 34(1), 81-108.

⁷ Schmitt, J., Waller, M., Fremstad, S., & Zipperer, B. (2008). Unions and upward mobility for low-wage workers. *WorkingUSA*, 11(3), 337-348.

⁸ See https://icagroup.org/wp-content/uploads/2021/09/5465_HC_2020-BenchmarkingReport_9.20.21.pdf.

⁹ See Berry, D. P., & Schneider, S. (2011). Improving the quality of home health aide jobs: A collaboration between organized labor and a worker cooperative. *Employee ownership and shared capitalism: New directions in research*, 59-89; Pinto, S. (2021). Economic democracy, embodied: A union co-op strategy for the long-term care sector. In *Organizational imaginaries: Tempering capitalism and tending to communities through cooperatives and collectivist democracy*. Emerald Publishing Limited.

¹⁰ See <https://www.oeockent.org/cooperatives/worker-owned-cooperatives#>.

¹¹ This included ongoing support from the Mott Foundation and Ford Foundation. See Inserra, A., Conway, M., & Rodat, J. (2002). *Cooperative Home Care Associates: A Case Study of a Sectoral Employment Development Approach*. *Sectoral Employment Development Learning Project Case Studies Series*. Publications Department, The Aspen Institute, PO Box 222, Queenstown, MD 21658.

business operations, external support helped CHCA to develop a training program that today provides free-of-cost home care job training to hundreds of local residents annually.¹² CHCA's state-of-the-art training focuses on both hard and soft skills and is rooted in an "adult learner" methodology.¹³

CHCA has also helped to develop an ecosystem to support its growth and advance high-road practices across the home health care system nationally. In 1991, CHCA created a separate organization, now known as PHI, to help develop its training programs and conduct research on training and other issues relevant to raising standards for the home care workforce.¹⁴ Leaders at CHCA and PHI were also involved in launching Independence Care System, a managed care organization with which they could contract.¹⁵ Over time, CHCA has established ties with a variety of managed care organizations, helping drive its expansion to 2,400 workers at its high point.

From the time of its founding, CHCA has been organized around a "quality jobs/quality care" philosophy, seeking to constitute good quality jobs as a foundation for better-quality services. Touting high-quality services has been leveraged, in turn, to help CHCA grow its business. And the co-op has also inserted itself into larger conversations about how improved job quality can help to address workforce shortages in the field. In the late 1980s, CHCA convened a working group in New York City that brought together employers and representatives from labor and consumer groups to work together in pushing a quality jobs/quality care agenda.¹⁶

CHCA workers unionized with 1199SEIU in 2003. CHCA leaders recognized the union's ability to influence policy and leverage its scale to provide members with a variety of valuable benefits. Union leaders saw CHCA as a "high road" employer with a record of innovating in ways that improved conditions for home care workers.¹⁷ Despite early tensions reconciling the role of a union in a cooperative, the two organizations have forged a robust partnership that includes joint work on policy campaigns, training initiatives, and strategies for workforce recruitment.¹⁸

¹² See <https://www.chcany.org/about>.

¹³ Inserra, A., Conway, M., & Rodat, J. (2002).

¹⁴ See <http://www.phinational.org/>.

¹⁵ See <https://icsny.org/>. For more on the role of managed care organizations, see <https://www.ncbi.nlm.nih.gov/books/NBK557797/>

¹⁶ Inserra, A., Conway, M., & Rodat, J. (2002).

¹⁷ CHCA's leadership thought the union was being too adversarial at times and too dismissive of the fact that the cooperative already had democratic structures in place. Union representatives were concerned that their advocacy on behalf of members would clash with a view that the co-op's ownership and governance model already sufficiently safeguarded worker interests. See Pinto, S. (2021). Economic democracy, embodied: A union co-op strategy for the long-term care sector. In *Organizational imaginaries: Tempering capitalism and tending to communities through cooperatives and collectivist democracy*. Emerald Publishing Limited.

¹⁸ Berry, D. P., & Schneider, S. (2011); Mandiberg, J. M., & Kim, S. M. (2021). A matrix form of multi-organizational hybridity in a cooperative-union venture. In *Organizational imaginaries: Tempering*

For some time now, CHCA has been the largest fully functioning worker co-op in the country. In the 2021 fiscal year, CHCA brought in nearly \$57 million in service revenues. 96% of this went to covering payroll and other related expenses for frontline home care workers, and 4% went to administrative overhead. CHCA's workforce continues to reflect the demographics of the home care workforce in the Bronx – 99% of home health aides and personal care aides working at CHCA are women and three-quarters are Latina, with 1 in 5 identifying as Black.¹⁹ Amid the challenging conditions of the Covid-19 pandemic,²⁰ CHCA has been engaged in a variety of initiatives aimed at better supporting home care workers. And, with its own workforce dipping down to 1,800, the co-op has been working closely with the union on strategies for workforce recruitment.

Ownership and Governance

As a worker co-op, CHCA gives workers the opportunity to become members by purchasing a share for \$1000, with new recruits attending a 3-hour workshop on the benefits of membership.²¹ Currently, just under half of CHCA's workers are members - a proportion that dropped when CHCA absorbed other agencies and has generally ebbed over time. Staff and worker leaders at the co-op have been engaged in ongoing conversations about how to boost the co-op's membership rate. Those workers who are members receive dividend payments in years when the co-op is profitable. To help build retirement security, all workers are eligible for enrollment in a 401k plan - a benefit to which many home care workers do not have access.²²

As CHCA has grown in size, democratic control has been wielded more and more through representative rather than direct channels. Worker representatives hold 8 of 13 seats on CHCA's board of directors, and all members are eligible to vote for these representatives. The board has substantial authority, including hiring and firing power over the co-op's CEO. Workers also have a variety of channels for sharing their input with supervisors and administrative staff and direct lines of communication with the CEO, who holds regular office hours. In a recent study

capitalism and tending to communities through cooperatives and collectivist democracy. Emerald Publishing Limited.

¹⁹ Interview with Denise Hernandez, May 5th, 2022.

²⁰ Pinto, S., Ma, C., Wiggins, F., Ecker, S., Obodai, M., & Sterling, M. (2022). Forgotten Front Line: Understanding the Needs of Unionized Home Health Aides in Downstate New York During the COVID-19 Pandemic. *NEW SOLUTIONS: A Journal of Environmental and Occupational Health Policy*, 31(4), 460-468.

²¹ Berry, D. P., & Schneider, S. (2011). The buy-in is \$1000 for one share and one share equals one vote. After an initial payment of \$50 the co-op lends the remaining \$950 for the rest of the buy-in share. This loan can be paid off over 5 years making sure that it is not cost-prohibitive for anyone to join." See <https://www.co-opsnow.org/examples/cooperative-home-care-associates-chca>. For more on

²² Berry, D. P., & Schneider, S. (2011). Comparing CHCA to another for-profit agency of similar size, Berry and Bell (2018) found that CHCA had near 100% enrollment in its 401k plan, versus around 1/3 for its peer agency. A non-profit agency that served as a second point of comparison had no 401k plan available for its workers. See Berry, D., & Bell, M. P. (2018). Worker cooperatives: alternative governance for caring and precarious work. *Equality, Diversity and Inclusion: An International Journal*.

comparing CHCA with a conventional for-profit agency and a nonprofit agency of similar size, workers at CHCA report significantly higher levels of participation in decision-making. They also reported higher levels of trust in management, feeling like supervisors were helpful, and overall job satisfaction.²³

In a number of ways, 1199SEIU's role at CHCA embodies the traditional functions that unions play in relation to employers. Union representatives address worker grievances; indeed, leaders at CHCA have acknowledged that the union has helped to surface important issues that might otherwise go unaddressed.²⁴ That said, 1199SEIU's relationship with CHCA is less agonistic than its interactions with most other employers, reflecting CHCA's co-op structure and ethos.

Following unionization, a labor-management committee was formed with representation from management, the union, and the general workforce. The committee has served as a venue for problem-solving and conflict resolution - for example, after seeing that large numbers of CHCA's workers were not using their healthcare benefits, the committee established a healthcare working group that implemented measures to boost healthcare utilization rates.²⁵

CHCA's mission-driven status became formalized in 2018 when the co-op was certified as a benefit corporation – a for-profit entity legally required to consider the impact of its decisions on different stakeholders.²⁶ Unlike most social enterprises that formally commit themselves only to addressing their impact on different stakeholders, leaving traditional decision-making structures largely intact, CHCA's status as a unionized worker co-op provides a variety of ways that workers can exercise voice and demand accountability.

Job Quality and Mobility

From its early days, CHCA has striven to pay higher wages than its competitors.²⁷ It has also consistently worked to increase the government reimbursement rates that constrain its ability to provide higher pay.²⁸ Recently, the co-op worked alongside 1199SEIU and others in a “Fair Pay for Home Care” campaign in New York state. Kim Alleyne, a long-time CHCA member, was among those playing an active role in the campaign, which included meeting with elected leaders to share her perspective on the difference a pay increase could make in the lives of home care

²³ Berry, D., & Bell, M. P. (2018).

²⁴ Berry, D. P., & Schneider, S. (2011).

²⁵ Knopf, M (2011). Cooperative Home Care Associates & 1199SEIU Labor Management Committee Program Evaluation Report.

²⁶ Berry, D. P., & Schneider, S. (2011).

²⁷ Starting in its early days, CHCA paid \$.50 more than its competitors. Presentation by Adria Powell, CHCA CEO, U.S. Federation of Worker Cooperative National Conference, September 10th, 2022. presentation. Contractual and subcontracting relationships with organizations like the Visiting Nurse Service of New York that pay higher rates than others in the industry have also helped CHCA to pay somewhat higher wages than many competitors. Inserra, A., Conway, M., & Rodat, J. (2002).

²⁸ Inserra, A., Conway, M., & Rodat, J. (2002).

workers across the state.²⁹ Although the campaign did not achieve the full pay increase the coalition was seeking, it did win a \$3 per hour total pay increase phased in over the course of 2022 and 2023.³⁰

In a field lacking in well-defined career ladders,³¹ CHCA has also worked to create opportunities for upward mobility. It has piloted a senior home care aide role, for example.³² Although funding for the pilot was limited, CHCA leaders have been part of conversations with others in New York City and New York State around institutionalizing such a role - a move that would require increased public investment. Also notable is the fact that 45% of CHCA's administrative staff started out as home care workers - a proportion that CHCA staff believe to be significantly higher than at most other home care agencies.³³

Even while trying to extend job ladders, leaders at CHCA have long been clear-eyed about the limitations imposed by prevailing structure of reimbursement rates and regulations around what functions home care workers are permitted to perform. Given these realities, the co-op has focused significant attention on making entry-level home care work a viable and sustainable career. State-of-the-art training and greater scope for worker input help to counter the tendency to undervalue the contributions of home care workers and render them invisible within larger care teams. With erratic scheduling a common challenge for home care workers, the co-op has focused on ensuring that workers are able to secure a steady paycheck. And, in the early stages of their time at CHCA, new recruits have regular check-ins with coordinators and access to peer mentoring. Though CHCA is limited in the size of the pay premium it can provide to workers, these factors may help to explain why its turnover rates are lower than at most other comparable agencies.³⁴

Expanding the Footprint

Establishing itself as a leader and role model, CHCA has helped to inspire the development of numerous co-ops in the direct care arena and other parts of the economy. It has also backed replication efforts in other cities.³⁵ In 1993, it helped to shepherd the creation of Philadelphia-

²⁹ Interview with Kim Alleyne, June 6th, 2022.

³⁰ See <https://hca-nys.org/final-state-budget-includes-minimum-wage-increase-for-home-care-aides/>.

³¹ Osterman, P. (2017). *Who will care for us?: long-term care and the long-term workforce*. Russell Sage Foundation.

³² Inserra, A., Conway, M., & Rodat, J. (2002).

³³ Interview with Denise Hernandez, May 5th, 2022. According to Hernandez, administrative staff at CHCA also play a more cross-functional role than at many other agencies, which helps to keep the work interesting and provides unique opportunities for growth. CHCA cannot compete with more profit-oriented agencies on pay for administrative staff, she says, but there is a strong core of staff who have been with the organization for many years and are highly invested in the mission and culture of the organization.

³⁴ Inserra, A., Conway, M., & Rodat, J. (2002).

³⁵ *Ibid.*

based Home Care Associates, which currently has a workforce of around 170.³⁶ Cooperative Home Care of Boston was formed the following year, but it shut down five years later amid a home care industry crisis in Massachusetts induced by the 1997 federal welfare reform.³⁷

Closer to home, CHCA is trying to expand its own footprint by growing its existing business, moving into the private pay market, and expanding its presence in the publicly funded consumer-directed program that is currently expanding across New York. The CHCA model has also helped to inspire a group of leaders at 1199SEIU to form a committee exploring further co-op development in the long-term care sector. 1199SEIU remains a powerful force in New York and other states where it has members. However, as structural changes including privatization undermine the position of the union and contribute to the closure of long-term care facilities in underserved communities, these leaders see co-ops as a tool for consolidating worker power and creating more stable, aligned, and community-oriented bargaining partners over the long term.³⁸

Looking Ahead

CHCA holds an iconic status across multiple circles, from long-term care advocacy to solidarity economy and cooperative economy movements. Despite this well-warranted attention, the challenges facing the organization and its members are real. Indeed, even with all the rhetoric around valuing essential workers, Covid-19 brought into stark relief a host of long-standing problems including low pay, unstable hours, and challenges to physical and mental health - issues that were reflected in the recent workforce attrition experienced by CHCA and many other agencies. As it seeks to recruit workers and expand its client base, the co-op must also compete with larger and more profit-oriented agencies that are able to invest more resources into branding and marketing.³⁹

For CHCA and its workforce, the struggle is one waged at multiple levels. Workers are trying to carve a path to economic security; the organization as a whole is seeking to model a high-road approach while nudging the larger system in the direction of greater fairness. Disappointingly, recent federal legislation providing for increased public investment in healthcare did not include measures to improve home care reimbursement rates - a struggle that is ongoing for CHCA and its allies. Creating a more hospitable environment for organizations like CHCA to flourish will not be solved by increased public investment alone, however. With low-road actors cutting corners to boost their profit margins, there are also important questions around how policy as

³⁶ See <https://www.bcorporation.net/en-us/find-a-b-corp/company/home-care-associates-of-philadelphia-inc>.

³⁷ CHCA is also a partner in administering the mission-driven “Trust for Workers” in Washington State – part of a joint venture that will employ more than 40,000 home care workers after its launch in 2022. See <https://trustforworkers.org/>

³⁸ Thanks to Camille Kerr for clearly articulating this point to me. As large numbers of nursing homes shut down and change hands to more hostile ownership, the Co-op Exploratory Committee has focused particular attention on converting existing nursing homes to worker ownership. See Pinto, S. (2021).

³⁹ Interview with Denise Hernandez, May 5th, 2022.

well as organizing among progressive allies can be leveraged to favor models like CHCA that help to advance quality jobs and quality care together.⁴⁰

Building on the kinds of alliances CHCA has helped to cultivate, transforming both the funding landscape for home care and models of delivery will require mobilizing broad coalitions predicated on solidarity and cooperation.

⁴⁰ One policy that members of the 1199SEIU have discussed is a “right of first refusal” for workers in cases where existing owners plan to exit. For more on the right of first refusal as it applies to transitions to worker ownership, see Gowan, Saoirse (2022). Right to Own: A Policy Framework to Catalyze Worker Ownership Transitions. The Next Systems Project. And CHCA’s CEO, Adria Powell, has noted that unions and other progressive allies could help to support unionized, high-road actors like CHCA but helping to send business in their direction through referrals and other means.