

### Round Two. Jobs Idea #9 New Jobs from the Affordable Care Act

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#### Problem Statement:

Implementation of the Affordable Care Act will stimulate demand for workers in health care services, an industry in which job growth is already strong. Preparing future entry-level employees to join the field, however, calls for establishing sectoral training strategies that align workers' skills with local employers' needs.

#### What's the Big Idea?

The Affordable Care Act (ACA), signed into law in 2010, extends health insurance to about 25 million Americans, increasing the demand for health care services. The growth in health care use under the ACA will spur an increase in demand for most health occupations, but will primarily affect entry-level jobs. Many high-growth health occupations require no more than a high school diploma. For example, the U.S. Bureau of Labor Statistics forecasts that there will be 31% job growth for medical assistants, and 32% for pharmacy technicians. At least 40% of the job growth for medical assistants, medical secretaries, pharmacy technicians and pharmacy aides is expected to be attributable to the ACA.

Other high-growth occupations that require at least some postsecondary training or education will add 666,700 new jobs by 2020. One-quarter of the increase in these jobs, which include dental assistants and emergency medical technicians (EMTs) and paramedics, is

driven by the ACA. Due to an increase in use of primary care services under the ACA, we expect a reduction in the use of acute and subacute care, which may result in a reduction of other jobs requiring some postsecondary education such as nursing aides, orderlies and licensed practical/vocational nurses.

While this job growth stands to be a significant source of employment, it will only be realized if there is a sizeable pool of skilled workers from which employers can draw or if employers invest in on-the-job training for unprepared workers. By embracing sectoral training strategies, in particular, policymakers and workforce development leaders can align the supply of and demand for workers, ultimately boosting the number of jobs available.

#### How Does This Create Jobs?

There is not enough capacity currently to train an adequate supply of workers for many health care services jobs, and many would-be workers face financial and nonfinancial barriers that prevent them from obtaining the requisite education. Additionally, the specific type and number of workers demanded often varies from region to region.

Sectoral training strategies help produce a pool of skilled workers. Taking a "systems approach to workforce development," they target specific occupation clusters; operate

# Sectoral or Industry Approaches

## Occupation Projections and Training Standards for Large and Rapidly Growing Occupations, 2010-2020

Occupation	2010 employment	Total growth in new jobs by 2020 (#)	Total growth in new jobs by 2020 (%)	Growth due to ACA, 2010-2020 (#)	Share of growth from ACA, 2010-2020 (%)	Percent of workers with no post-secondary degree (2010)	On-the-job training required
<b>No High School Diploma Required</b>							
Home health aides	1,017,700	706,200	69.4%	2,800	0.4%	84.8%	Short-term
Personal care aides	861,000	607,000	70.5%	1,721	0.3%	82.5%	Short-term
<b>High School Diploma Required</b>							
Medical assistants	527,600	162,800	30.9%	133,114	81.8%	71.8%	Moderate-term
Medical secretaries	508,700	210,200	41.3%	90,154	42.9%	70.2%	Moderate-term
Pharmacy technicians	334,400	108,200	32.4%	83,148	76.8%	64.6%	Moderate-term
Substance abuse & behavioral disorder counselors	85,500	23,400	27.4%	1,270	5.4%	18.6%	Moderate-term
Pharmacy aides	50,800	14,500	28.5%	12,610	87.0%	71.8%	Short-term
<b>Nondegree Postsecondary Education Required</b>							
Nursing aides & orderlies	1,505,300	301,900	20.1%	-17,682	-5.9%	84.8%	None
Licensed practical/vocational nurses	752,300	168,500	22.4%	-25,309	-15.0%	76.9%	None
Dental assistants	297,200	91,700	30.9%	27,932	30.5%	74.8%	None
EMTs & paramedics	226,500	75,400	33.3%	18,757	24.9%	64.4%	None
Surgical technicians	93,600	17,700	18.9%	2,471	14.0%	64.6%	None
Psychiatric technicians	74,900	11,500	15.4%	336	2.9%	64.6%	Short-term
<b>Varied Entry Requirements</b>							
Recreation workers	339,100	64,300	19.0%	6,006	9.3%	47.8%	
Physical therapy assistants & aides	114,400	51,100	43.3%	82	0.2%	30.5%	Assistants: AD Aides: no degree, moderate on-the-job

Source: Authors' calculations using HEPSS-ARCOLA and U.S. Bureau of Labor Statistics, *National Employment Matrix*, Retrieved August 30 2013, from <http://data.bls.gov/oepl/niuem/empiohm.jsp>

### Case Studies

#### Medical Assistant Program in Los Angeles County

In 2014, about 400,000 people in Los Angeles County will become eligible under the ACA for Medi-Cal, the state's low-income health insurance program. To prepare for this influx, the county's Department of Health Services is implementing a Patient-Centered Medical Home model, in which patients are assigned to a primary care provider who leads a team of nurses, certified medical assistants (CMAs) and other staff.

The county estimates that it needs about 195 CMAs to coordinate care in these homes, so it has established the Medical Assistant Program through the L.A. Health Care Workforce Development Program, a labor-management partnership between the county and the Service Employees International Union 721. Since 2011, 43 participants have completed the program and 32 have passed their state certification exam. The program is funded by the county, and local colleges provide training. Most participants are simultaneously employed by the county as nurse attendants, receiving a wage and benefits.

through credible organizations to tailor region- and industry-specific programs; support the continued enhancement of workers' skills and competitiveness; and meet the needs of employers so they can better compete in the marketplace.<sup>1</sup> One study found that participants in well-established, sector-focused training programs earned significantly more and were more likely to work and work more consistently than similar low-income individuals who did not participate in sector-focused training programs but were free to receive services from any other training programs.<sup>2</sup>

#### What Are the Barriers?

These training programs need a source of funding. The ACA authorized a number of grant and loan-repayment programs intended to support education in entry-level and career-ladder programs, but Congress has not funded most of them. Appropriation of funds for these ACA programs and others would help to expand current education programs and establish new ones for rapidly growing occupations.

#### How Can This Policy Be Implemented?

Governments, nonprofits, colleges, unions and employers must collaborate to create effective sectoral training strategies. Several practices can help such collaborations succeed: Government should identify and address hurdles that prevent individuals from pursuing education; training programs should evolve to complement changes in the health care industry; community college funding should be bolstered; and Workforce Investment Act funds should be used to support regionally based education programs.

#### Conclusion

The ACA promises to be a much-needed source of employment growth. The use of sectoral training strategies will help ensure that there is a supply of skilled workers ready to take the jobs it makes available.

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#### Endnotes

<sup>1</sup>Conway, M., Blair, A., Dawson, S. L., & Dworak-Muñoz, L. (2007, summer). *Sectoral strategies for low-income workers: Lessons from the field*. Washington, D.C.: Aspen Institute Workforce Strategies Initiative.

<sup>2</sup>Maguire, S., Freely, J., Clymer, C., & Conway, M. (2009, May). *Job training that works: Findings from the Sectoral Employment Impact Study*. In Brief Issue 7. Philadelphia, PA: Public/Private Ventures.

## About Big Ideas for Job Creation

Big Ideas for Job Creation, a project of the Institute for Research on Labor and Employment at the University of California, Berkeley, with the support of The Annie E. Casey Foundation, tapped into the innovative thinking of leading experts across the nation to develop job creation proposals. Every idea had to meet the following criteria: designed for implementation by cities and/or states and will lead to net new job creation in the short-term; practical, sustainable, scalable and already tested; and all jobs created should be accessible for low-skilled workers and offer some career opportunity. Taken together, these Big Ideas can create millions of new jobs for our country.

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