



February 26, 2020

The Honorable Guy Guzzone  
Chair  
Senate Budget and Taxation Committee,  
3 West  
Miller Senate Building  
Annapolis, MD 21401

RE: **OPPOSE** – *Senate Bill 192: Budget Reconciliation and Financing Act*

Dear Chair Guzzone and Members of the Committee:

Thank you for allowing us to submit comments on this very important subject. The Maryland-National Capital Homecare Association (MNCHA) is a trade association representing Home Health, Home Care, and Durable Medical Equipment agencies across Maryland. These providers include those who deliver services to Medicaid recipients across the entire State.

MNCHA members are strongly opposed to the reductions taken in Senate Bill 192 (Page 17, line 11) which decreases the 4% rate increase provided under *Senate Bill 280: "Fight for Fifteen"* from the 2019 Session to only a 2% rate increase. This reduction has a devastating blow to home care agencies, especially given the fact that members are still required to pay the increased minimum wage without the funding to do so.

It is important to understand that Medicaid ONLY reimburses agencies \$18.03/hour. This hourly rate must be used to cover personnel wages, payroll taxes, unemployment insurance, worker's compensation and any other personnel benefit as well as non-personnel expenses. This is already an insurmountable task. For example, included in the \$18.03 is the requirement by the State for home care agencies to contract with a registered nurse to assess patients, write care plans and make ongoing intermittent visits to evaluate the patients. Covering the expense of the registered nurse combined with other direct care workers has agencies already operating on razor thin margins.

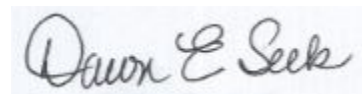
As indicated in the 2018 report - *Rate Methodology Study Pursuant to Section 2 of House Bill 1696 (Chapter 798 of the Acts of 2018)*, the underfunding of home care agencies is especially pronounced. As a follow-up to this report, this committee required the Maryland Department of Health (MDH) to develop a detailed five-year plan for eliminating the funding disparity. However, rather than develop the plan, MDH simply stated that it was continuing to analyze the information.

This is particularly troubling given that it was the State's report that illustrated the underfunding, so it is reasonable to assume that the State has the necessary information to develop the funding plan.

Without an appropriate, corresponding Medicaid reimbursement increase or a plan for eliminating the funding disparity, MNCHA members are concerned with their ability to continue to maintain a high quality of care and services which work to ensure patient safety. Medicaid homecare services allows patients to thrive in their own homes and in their own environments surrounded by family and familiar things, which is their preference. Homecare patients are less likely to end up in emergency rooms or being admitted to hospitals. Without home care, many of these patients would require alternative living arrangements such as a long-term care facility, which is more costly to the Medicaid program.

Thank you for your consideration of these comments and we would be happy to answer any additional questions or provide any additional information to assist you in any way.

Respectfully,

A handwritten signature in cursive script that reads "Dawn E. Seek". The signature is written in black ink on a light-colored background.

Dawn E. Seek  
Executive Director  
MNCHA