



February 27, 2020

The Honorable Delores Kelley
Chair
Senate Finance Committee,
3 East
Miller Senate Building
Annapolis, MD 21401

RE: **SUPPORT** – Senate Bill 449 – *Labor and Employment – Direct Care Workforce Innovation Program*

Dear Chair Kelley 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 is in strong support of Senate Bill 449, which establishes a Direct Care Innovation Program in the Department of Labor whose purpose is to provide matching grants to eligible entities to create and expand on successful recruitment and retention strategies that address the range of potential barriers to increasing the number of direct care workers.

MNCHA members rely on the care provided by personal care aides and certified nursing assistants. Because of Maryland's increasing senior population, there is a growing need for home care services, which then increases the demand for direct care workers. However, for our members that participate in the Medicaid program, budgetary constraints place pressure on the ability to attract and retain direct care workers. 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.

While Senate Bill 449 will not address these funding issues, it is an essential piece of legislation that is needed to build Maryland's workforce to ensure that the needs of Marylanders can be met in the upcoming years.

We thank the sponsor, and we thank the Committee for its consideration of this important legislation.

Respectfully,

A handwritten signature in blue ink that reads 'Dawn E. Seek'. The signature is written in a cursive, flowing style.

Dawn E. Seek
Executive Director
MNCHA