



## MARYLAND DEVELOPMENTAL DISABILITIES COALITION

Dedicated to the rights and quality of life for people with developmental disabilities in Maryland



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CREATING CHANGE • IMPROVING LIVES

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### House Economic Matters Committee HB 698: Labor and Employment – State Minimum Wage Rate - Increase

#### Position: Support with Amendments

February 22, 2022

The Maryland Developmental Disabilities Coalition (DD Coalition) is comprised of five statewide organizations that are committed to improving the opportunities and outcomes for Marylanders with intellectual and developmental disabilities (IDD). As such, the DD Coalition supports HB 572.

**All community providers, the vast majority of which are nonprofit organizations, rely on funding from the state and federal government.** Unlike other businesses, DDA-licensed Medicaid providers are federally prohibited from passing on cost increases to the people they support.

As this Committee will remember from prior minimum wage debates, many of these Medicaid providers are already operating on thin margins due to a state reimbursement rate that only allows for a starting wage that hovers near the minimum wage for direct support workers. The jobs of direct support professionals who work with people with developmental disabilities are demanding, require training and commitment, and they must pay more than the minimum wage. IDD providers will simply not be able to absorb the costs of increased wages without funding from the state to do so.

**Prior minimum wage bills included Medicaid provider reimbursement mandates.** In both 2014 ([HB 295](#)) and 2019 ([HB 166/SB 280](#)), minimum wage legislation was signed into law that included provider rate increases to help Maryland's developmental disability providers try to keep pace with the minimum wage. Our organizations are thus deeply disappointed that while HB 698 accelerates the rise in the minimum wage, it does *not* include a commensurate acceleration in the Medicaid provider rate increases that was built into the Fight for Fifteen legislation.

**Community supports to 18,000+ Marylanders with intellectual and developmental disabilities will be jeopardized.** The pandemic deepened a staffing crisis that resulted from historically low state reimbursement rates-- some providers are reporting vacancy rates as high as 60%. Community providers cannot compete with big box retailers who pay higher rates than what most DDA-funded providers can afford to pay. If the minimum wage were to increase without a rate increase to providers, very few would be able to continue providing quality supports to people with IDD in the community.

**We respectfully request that HB 698 be amended to include expedited Medicaid provider rate increases-- increases linked to the rise in the minimum wage that were included in HB 166/SB 280 and approved by this Committee and passed by the Maryland General Assembly in 2019.**

For additional information, please contact:

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