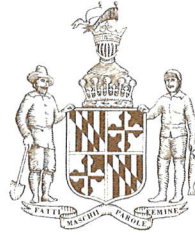


PAMELA G. BEIDLE
Legislative District 32
Anne Arundel County

Finance Committee

Vice Chair

Executive Nominations Committee



James Senate Office Building
11 Bladen Street, Room 202
Annapolis, Maryland 21401
410-841-3593 · 301-858-3593
800-492-7122 Ext. 3593
Pamela.Beidle@senate.state.md.us

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

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SB180

Residential Service Agencies – Reimbursement – Personal Assistance Services

Good afternoon, Chair Griffith, Vice Chair Klausmeier and Members of the Finance Committee;

Thank you for the opportunity to present SB 180, Residential Service Agencies – Reimbursement – Personal Assistance Services. Personal care aides, also called home care workers, provide care and support to older adults and people with disabilities so they can stay in their homes and communities. They help with things like bathing, toileting, and cooking. Many of us on this committee have relied on personal care aides to help our loved ones. These workers not only provide care – they often become like family to those they serve.

Most of the home care provided in Maryland is paid for by Medicaid. This creates an opportunity to ensure that workers paid with state money have jobs that they want to stay in, and that they would recommend to their friends. But unfortunately, job quality is often poor, and Maryland is facing a home care workforce crisis. As a result, we do not have nearly enough personal care aides to meet our growing need, and Marylanders are suffering.

SB180 would help improve home care job quality and professionalize the workforce. The bill does this by preventing the misclassification of personal care aides as independent contractors. Misclassification of these workers as independent contractors hurts everyone:

- It hurts workers by worsening job quality, cutting them out of the social safety net and imposing on them a higher “self-employment” tax burden when they should be getting a tax refund.
- It hurts people who depend on care by shrinking the size of the workforce they depend on for their independence and increasing worker turnover.
- It hurts law-abiding home care agencies that face unfair competition from agencies that save money by avoiding their obligations as employers.
- It hurts the State of Maryland by depriving the unemployment insurance trust fund of revenue that Maryland and its workers depend on.

SB180 would fix the problem by providing that the Maryland Department of Health only reimburse RSAs for in-home personal care provided under certain Medicaid programs if the aides who do the work are classified as employees. It prevents the problem before it occurs, so we don't have to keep playing catch-up. These workers are employees under the law, not independent contractors:

- home care agencies set their pay rates,
- enforce state rules and regulations,
- track their time, and
- impose other controls over the terms and conditions of the work.

This is a rare bill that brings together the whole gamut of stakeholders – businesses, workers, older adults, people with disabilities, think tanks, and others. I want to emphasize that it is a pro-business bill because it will level the playing field for businesses that follow the law. That is why some of Maryland's leading home care agencies support it.

This bill does not apply to programs under the Developmental Disabilities Administration, and it does not apply to the private sector – to care that people pay for on their own or with insurance. It only applies to care provided under the Department of Health's Office of Long Term Services and Supports.

With that, I'll turn it to Dave Rodwin of the Public Justice Center, who will speak more about the bill and why it's needed now.

Thank you for your attention, I respectfully request a favorable report.