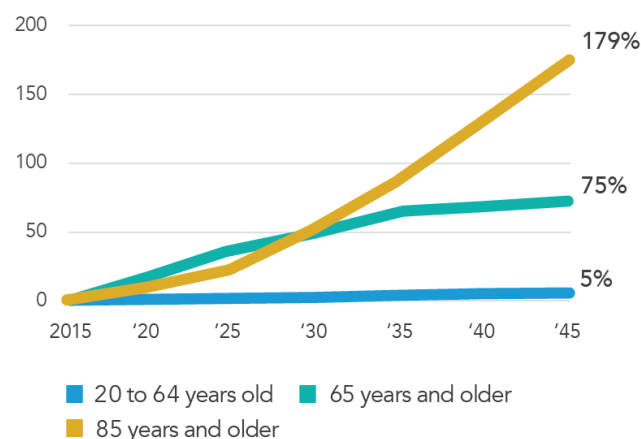


**Summary:** This Home Care Medicaid Rate & Wage Increase bill will increase funding for certain Medicaid-funded home care programs while also ensuring that home care workers get a fairer share of that money – improving job quality, recruitment, and retention.

**Problem: Maryland faces an increasingly dire shortage of personal care aides (a.k.a. home care workers), which hurts older adults and people with disabilities – and Maryland’s Medicaid policies are the reason.**

- Demand for home care is increasing as Maryland ages and more people with disabilities receive care in their homes rather than nursing homes. Maryland will need 40 percent more care workers over the next ten years.<sup>1</sup>
- But there are not enough workers. Residential Service Agencies (RSAs, the Health Code’s term for home care agencies) report sky-high turnover. Workers are leaving for jobs at Wal-Mart or Royal Farms because of low wages and lack of benefits.
- Medicaid funds about 60% of the state’s home care, and the Maryland Department of Health currently pays RSAs \$23 per hour of care. But there is no requirement that workers be paid anything other than minimum wage. The median wage for Maryland home care workers is just \$14.08 – and even less for Medicaid-funded workers.

**Figure 2:** Projected Population Growth by Age in MD, 2015-2045



**Solution: Higher Medicaid reimbursement rates and higher wages.**

- The bill has two main parts. First, it increases the Medicaid reimbursement rate to \$25/hour by July 1, 2024. Second, it provides that starting July 1, 2024, personal care aides whose work is funded through the Maryland Department of Health’s Office of Long Term Services and Supports must be paid at least \$16 per hour. Moving forward, the bill requires that workers get a fairer share – 64% – of the payments that RSAs receive. The policy benefits both businesses and workers.
- Policies like this have been implemented in states across the country. This bill is similar to a Maine law passed in 2021, which increased reimbursement rates while requiring that Medicaid-funded workers be paid at least 25% more than minimum wage – which now equates to a wage floor of \$17.25 per hour.

**Fair pay for personal care aides is a race equity issue and a gender equity issue.**

- Personal care aides in Maryland are mostly Black women: about 90% are women and about 70% are Black.
- Maryland’s low Medicaid reimbursement rates – and lack of any wage floor other than minimum wage – trap workers in poverty. Higher rates and wages will help move Maryland closer to race and gender equity.

<sup>1</sup> PHI, *The Direct Services Workforce in Long-Term Services and Supports in Maryland and the District of Columbia*, 2018, available at <http://phinational.org/resource/the-direct-services-workforce-in-ltss-in-md-and-dc/>.