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## SB 328- Public Health – Health Care Facilities and Regulation

Hearing of the Senate Committee on Budget and Taxation – January 24, 2024 at 1:00pm

### Position: Favorable

The Public Justice Center (PJC) is a not-for-profit civil rights and anti-poverty legal services organization which seeks to advance social justice, economic and racial equity, and fundamental human rights in Maryland. Our Workplace Justice Project works to expand and enforce the right of low-wage workers to receive an honest day's pay for an honest day's work. The PJC **supports SB 328**, which would increase Medicaid medical care provider reimbursement rates and allow the increase to be specifically designated for worker wages and benefits.

**Problem: Direct care workers play a critical role in the functioning of the health care system. However, low-wages and chronic understaffing have fueled a substantial labor shortage in the care industry.**

- Between 2018 and 2028, the long-term care sector will need to fill about 8.2 million job openings in direct care, including 1.3 million new jobs and an additional 6.9 million jobs that will become vacant when workers leave the field or exit the labor force altogether.<sup>1</sup>
- Despite the dire need for care workers, wages for direct care workers are untenably low.
  - The median wage for a direct care worker in Maryland is \$14.62/hour.<sup>2</sup>
  - The annual median personal earnings a full-time care worker in Maryland is \$26,700.<sup>3</sup>
  - One in three direct care workers in Maryland live below the poverty line.<sup>4</sup>
  - 39% of Maryland's care workers lack affordable housing.<sup>5</sup>

**Solution: A Medicaid rate reimbursement increase with a wage pass-through is the most direct way to address nursing home and home care staff shortages and increase quality of care.**

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<sup>1</sup> Kezia Scales, "From Crisis to Emergency: 8.2 Million Direct Care Job Openings Expected by 2028." January 2020. Available at <https://phinational.org/resource/from-crisis-to-emergency-8-2-million-direct-care-job-openingsexpected-by-2028/>.

<sup>2</sup> PHI, "Direct Care Workforce State Index: Maryland." Available at <https://www.phinational.org/state/maryland/>.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

- As of September 2020, 22 states have enacted similar wage pass-through provisions as part of their Medicaid programs to attract and retain care workers.<sup>6</sup>
- SB 328 additionally requires nursing homes to submit a report to the Maryland Department of Health annually documenting their wage disbursements to ensure these targeted reimbursement increases are being used to increase workers' wages.
- This increase in workers' take-home pay is the first step towards bolstering and retaining the care workforce that Marylanders rely upon.

For the foregoing reasons, the PJC **SUPPORTS SB 328** and urges a **FAVORABLE** report. Should you have any questions, please call Diana Jarek at 410-625-9409 ext. 223.

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<sup>6</sup> Institute for Healing Justice & Equity, "Direct Care Worker Wage Pass-Through Law Final Report," September 2020. Available at [https://ihje.org/wp-content/uploads/2020/12/Direct-Care-Worker-Wage-Pass-Through-Law-Final-Report\\_September-2020\\_Institute-of-Healing-Justice-and-Equity.pdf](https://ihje.org/wp-content/uploads/2020/12/Direct-Care-Worker-Wage-Pass-Through-Law-Final-Report_September-2020_Institute-of-Healing-Justice-and-Equity.pdf).