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MAYOR

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SB0197

February 8, 2024

TO: Members of the Senate Finance Committee

FROM: Nina Themelis, Director of Mayor's Office of Government Relations

RE: Senate Bill 197 – Residential Service Agencies - Reimbursement - Personal Assistance Services

POSITION: FAVORABLE

Chair Beidle, Vice Chair Klausmeier, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** Senate Bill (SB) 197.

SB 197 mandates that the Maryland Department of Health prohibits reimbursement for services provided by a residential service agency unless the service was provided by workers classified as “employees,” not “independent contractors.” This bill will strengthen wage protection for home care workers, benefitting both those workers and the many people they serve.

SB 197 addresses a common practice in the home health industry: the illegal categorization of home health workers as independent contractors, which allows residential service agencies to avoid paying overtime, unemployment insurance, payroll taxes, and workers compensation. These workers are a vital part of the care workforce that supports the growing number of Maryland’s frail elderly and persons with disabilities. Not compensating them equitably results in an unstable workforce and deteriorating and inconsistent care.

By mandating that the Department of Health address this issue, SB 197 will improve the quality of Medicaid-funded services and positively impact the home care industry in Maryland as a whole.

For these reasons, the BCA respectfully request a **favorable** report on SB 197.