

# JOTF JOB OPPORTUNITIES TASK FORCE

*Advocating better skills, jobs, and incomes*

## Testimony in Support of House Bill 189

### **HB189: Maryland Medical Assistance Program - Provider Agencies and Personal Care Aides - Reimbursement and Wage Reports (Homecare Workers Employment Act of 2024)**

TO: Hon. Joseline A. Pena-Melnyk, Chair, and Members of the House Health and Government Operations Committee

FROM: Job Opportunities Task Force

DATE: January 24, 2024

The Job Opportunities Task Force (JOTF) is an independent, nonprofit organization that develops and advocates policies and programs to increase the skills, job opportunities, and incomes of low-wage workers and job seekers in Maryland. **JOTF supports House Bill 189, which would help get critical home care job-quality data to policymakers and help ensure that Maryland Medicaid’s home care reimbursement rates meet the needs of Maryland’s economy.**

The Homecare Workers Employment Act of 2024 does two things. First, for personal care aides who work for home care agencies (called “residential service agencies” – RSAs – by the Health Code) under certain Medicaid programs, RSAs will report to the state workers’ average, highest, and lowest pay rates. Second, the Maryland Department of Health must update its analysis of Medicaid reimbursement rates every two years (the last such analysis was done in 2018), and must factor in the need to improve workers’ wages and benefits.

HB189 reflects the findings of the just-released final report of Maryland’s Commission to Study the Health Care Workforce Crisis and would help advance several of the report’s recommendations. This report is a result of 2022 legislation SB440/HB625, which passed with unanimous support. One of the report’s four findings is that “those who provide in-home care play a significant role in the healthcare system but data about them is limited.” The report also notes that “there are nearly 20,000 direct care workers providing Medicaid-funded personal care throughout the state” and “these positions are usually low paying.” By getting basic wage data on the Medicaid-funded home care workforce to the State of Maryland and requiring regular analysis of the costs of providing Medicaid-funded home care, HB189 would advance two of the report’s four recommendations: (1) helping build the data necessary for a “state healthcare workforce data center” and (2) supporting a “Task Force to study the home healthcare workforce shortages in Maryland.”

Maryland lacks data on home care workers’ pay rates—information policymakers need to solve the home care workforce crisis. Consumers and employers report home care workforce shortages and high turnover. But although most of the workforce is funded by Medicaid, there is no hard data on workers’ pay rates. As a result, policymakers lack the data they need to improve home care jobs and solve the workforce crisis. This bill fixes the problem by requiring that home care agencies that receive Medicaid reimbursement report to the Maryland Department of Labor the average, highest, and lowest pay rates they pay home care workers. With this information, Maryland can take action to ensure that workers receive competitive

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wages, helping attract and retain the workforce Maryland needs.

Maryland needs regular, up-to-date Medicaid reimbursement rate studies to ensure that our state's Medicaid reimbursement rates allow for direct care workers to be paid competitive wages. Maryland last did a Medicaid reimbursement rate study for home and community-based services in 2018. Needless to say, Maryland has changed a lot since then. As a result, both policymakers and the Maryland Department of Health lack the information they need to ensure that reimbursement rates are adequate to allow providers to pay competitive wages. The Homecare Worker Employment Act would solve this problem by requiring rate studies every two years, with reports to the Senate Finance Committee and the House Health and Government Operations Committee. The rate study will involve interviews with key stakeholders, including providers, and will also examine the cost of ensuring that workers are paid at least 50% more than minimum wage (i.e., \$22.50/hour). These provisions are very similar to those recently passed in New Mexico,<sup>3</sup> but many other states—including Arizona, Maine, Texas, and Indiana—have similar policies.

**For these reasons, JOTF supports House Bill 189 and urges a favorable report.**

**For more information, contact:**

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