



BRANDON M. SCOTT
MAYOR

*Office of Government Relations
88 State Circle
Annapolis, Maryland 21401*

SB0328

January 24, 2024

TO: Members of the Budget and Taxation Committee

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

RE: Senate Bill 328 – Funding for Wages and Benefits for Nursing Home Workers (Nursing Home Staffing Crisis Funding Act of 2024)

POSITION: SUPPORT

Chair Guzzone, Vice Chair Rosapepe, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** Senate Bill (SB) 328.

SB 328 increases the health care provider reimbursement rate required in the Governor's proposed budget for fiscal years 2026-2028 for several Maryland Department of Health programs, including the Medicaid program that reimburses nursing homes for the care they deliver. Specifically, the bill requires that the budget include an eight percent rate increase for providers. Additionally, the bill specifies that 75% of these increases must be allocated for increasing compensation for workers providing care to residents, and that nursing homes be required to submit annual reports documenting that the funds were spent in accordance with this requirement.

SB 328 will improve the stability and quality of the state's nursing home workforce by shaping Medicaid reimbursement to support a living wage for these essential employees. Baltimore City alone is home to 28 nursing homes. The BCA supports improvements in quality of care in these homes and equitable compensation for those who work there – particularly direct care workers.

Direct care staff turnover in nursing homes is a major contributor to inconsistent and inadequate care in these facilities, putting patients at risk. Turnover occurs because these direct care workers perform some of the most difficult and taxing jobs in our economy, serving persons with complex and debilitating chronic conditions. However, despite the critical work they perform, they are underpaid and overworked, and find that other industries provide more compensation for less challenging work. SB 328 will help retain these workers (and attract new ones), resulting in better care for nursing home residents. Over the next 35 years, Maryland's aging population is expected to increase almost 30% – from 1.37 million to 1.79 million adults ages 60 and older.ⁱ It is imperative – and will only become more so – that we attract and retain direct care workers to support older adults and individuals with disabilities.

For these reasons, the BCA respectfully requests a **favorable** report on SB 328.

ⁱ Maryland Department of Aging. (2021). State Plan on Aging, 2022-2025. Retrieved from <https://aging.maryland.gov/SiteAssets/Pages/StatePlanonAging/MD%20State%20Plan%202022-2025.pdf>