

HB 933: Nursing Homes - Direct Care Wages and Benefits and Cost Reports (Nursing Home Care Crisis Transparency Act)

House Health and Government Operations | February 18, 2024

Position: FAVORABLE

The National Women’s Law Center (NWLC) submits this testimony in support of HB 933, which will help ensure that more direct care workers in Maryland nursing homes are paid a living wage. By establishing greater cost transparency and requiring nursing homes to dedicate at least 75% of their revenue to the wages and benefits of their direct care workers, Maryland will help address years of undervaluing and undercompensating the labor of a workforce that is overwhelmingly women of color.

Since 1972, NWLC has fought for gender justice—in the courts, in public policy, and in our society—working across the issues that are central to the lives of women and girls. NWLC advocates for improvement and enforcement of our nation’s employment and civil rights laws, with a particular focus on the needs of LGBTQI+ people, women of color, and women with low incomes and their families.

Requiring nursing homes to spend their revenue on direct care worker wages and benefits will help address the poor job quality that direct care workers face.

The direct care workforce in Maryland is made up nearly entirely of women¹—predominantly women of color and disproportionately immigrant women²—who provide critical care to Maryland’s disabled and aging population. Nearly 23,000 people reside in Maryland nursing homes, where they rely on direct care workers to meet their basic needs every day.³

Despite the importance of this care, many direct care workers struggle to support themselves and their families because of low wages—and are driven out of the profession because of how unsustainable it is to provide essential labor for little compensation. A 2021 nationwide study found that the average annual turnover rate for nursing staff in nursing homes was over 120%.⁴

Maryland direct care workers earn a median hourly wage of \$16.38 and typically take home less than \$32,000 each year.⁵ As a result, a quarter of Maryland direct care workers live in low-income households.⁶ Nationally, almost half of direct care workers rely on public assistance, including Medicaid, to get by.⁷ And in Maryland, almost 10% of direct care workers do not have health insurance themselves.⁸

This precarity is especially troubling given that—like so many women workers—direct care workers have caregiving responsibilities: Nationwide, 36% of direct care workers at nursing homes (i.e., nursing assistants) have at least one child under the age of 18 living at home, and 18% provide unpaid family

¹ 86% of direct care workers in Maryland are women. PHI, “Direct Care Workforce State Index: Maryland”, July 20, 2024, <https://www.phinational.org/state/maryland/>.

² 81% of direct care workers in Maryland are people of color. PHI, “Direct Care Workforce State Index: Maryland.”

³ KFF, “State Health Facts: 2024, Maryland,” last accessed Feb. 18, 2025, <https://www.kff.org/other/state-indicator/number-of-nursing-facility-residents/>.

⁴ Ashvin Gandhi, Huizi Yu, and David C Grabowski, “High Nursing Staff Turnover in Nursing Homes Offers Important Quality Information,” *Health Affairs*, 40(3): 384-391 (2021), <https://www.healthaffairs.org/doi/10.1377/hlthaff.2020.00957>.

⁵ PHI, “Direct Care Workforce State Index: Maryland.”

⁶ *Ibid.*

⁷ Veronica Faison, “Supporting Home- and Community-Based Care Advances Gender Justice,” NWLC, Nov. 2024, https://nwlc.org/wp-content/uploads/2024/11/final_NWLC_2024CaregivingReport.pdf

⁸ PHI, “Direct Care Workforce State Index: Maryland.”

caregiving for one or more older adults.⁹ Low pay makes it difficult for direct care workers to do their important work and also take care of themselves and their families.

In Maryland, where direct care workers are mostly Black women,¹⁰ the gender and racial wage gap is steep. Black women working full time, year-round in Maryland typically are paid \$0.67 for every dollar paid to their white, non-Hispanic male counterparts, while full-time working women overall are paid \$0.86 for every dollar paid to men.¹¹ While Black women face multi-faceted economic barriers due to systemic prejudice, ensuring that nursing homes use their revenues to pay their workers can help chip away at the gender wage gap that stems in part from the low wages in occupations like direct care work, where the critical work performed by women of color has been undervalued for generations.

NWLC supports requirements that would raise wages for **all** direct care workers—including home care workers, who are the lowest paid in the industry—and requirements that help boost pay for direct care workers in nursing homes is a foundational step. We also support the cost reporting requirements included in HB 933, which are essential to ensure that nursing home facilities are complying with the minimum standard for wage and benefit expenditures. Today, the lack of transparency and oversight in the nursing home industry allows nursing homes to hide their profits while their workers are underpaid and their facilities are understaffed—which, in turn, undermines patient care.

HB 933 can ensure that nursing homes will prioritize compensating their direct care workers—ultimately benefiting both workers and the people they serve. For all of these reasons, we urge the Committee to pass HB 933, and respectfully request a favorable report.

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Please do not hesitate to contact Veronica Faison at vfaison@nwlc.org if you have questions or require additional information. Thank you for your consideration.

⁹ PHI, “Direct Care Workers in the United States: Key Facts 2024,” Sept. 2024, <https://www.phinational.org/resource/directcare-workers-in-the-united-states-key-facts-2024/>.

¹⁰ PHI, “The Direct Services Workforce in Long-Term Services and Supports In Maryland and the District of Columbia,” 2018, <https://www.phinational.org/wp-content/uploads/2018/09/DSWorkers-Maryland-2018-PHI.pdf>.

¹¹ NWLC, “The Wage Gap, State by State,” Sept. 2024, <https://nwlc.org/resource/wage-gap-state-by-state/>.