

One Park Place | Suite 475 | Annapolis, MD 21401-3475 1-866-542-8163 | Fax: 410-837-0269 aarp.org/md | md@aarp.org | twitter: @aarpmd facebook.com/aarpmd

## HB 933 Nursing Homes - Direct Care Wages and Benefits and Cost Reports House Health and Government Operations Committee February 20, 2025 FAVORABLE

Good Afternoon, Chair Peña-Melnyk and Members of the House Health and Government Operations Committee; my name is Tammy Bresnahan, and I serve as the Senior Director of Advocacy for AARP Maryland. On behalf of our nearly 850,000 members across the state, I submit this testimony in strong support of **HB 933 Nursing Home Direct Care Wages and Benefits and Cost Reports**. We thank Delegate Martinez for introducing this important piece of legislation.

AARP Maryland is dedicated to ensuring that older adults receive high-quality, safe, and dignified care, particularly in nursing homes where some of our most vulnerable citizens reside. The need for greater transparency in nursing home funding, as well as improved wages and benefits for direct care workers, is an urgent issue affecting thousands of Marylanders and their families.

## The Need for Higher Direct Care Wages and Benefits

Older Marylanders who rely on nursing home care deserve to be treated with dignity and respect. However, chronic understaffing and high turnover rates in these facilities often compromise the quality of care. Research consistently shows that nursing homes with better staffing levels provide better care outcomes, reducing avoidable hospitalizations, infections, and adverse health events.

A major factor contributing to staffing challenges is the inadequate compensation provided to direct care workers. These frontline caregivers—certified nursing assistants (CNAs), geriatric nursing assistants (GNAs), and other essential staff—are the backbone of nursing home operations. Yet, many of them struggle to earn a living wage or access adequate benefits. When wages remain low, retention suffers, and the continuity of care for older Marylanders is disrupted.

By requiring nursing homes to allocate at least a specified percentage of their total nursing and residential care revenue toward direct care wages and benefits, this legislation helps ensure that taxpayer and private funds are used to improve workforce stability and enhance resident care.

## The Importance of Financial Transparency

AARP Maryland also strongly supports the requirement that nursing homes submit annual cost reports to the Maryland Department of Health. Greater financial transparency is necessary to

ensure that public and private resources are being used to directly benefit residents, rather than disproportionately funding administrative costs or profits.

Without clear accountability measures, it is difficult to track whether funds intended for resident care are being used to support high-quality services. Cost reporting requirements will provide lawmakers, regulators, and the public with essential insights into how nursing homes allocate their budgets.

## Conclusion

HB 933 is a critical step in addressing the ongoing care crisis in Maryland's nursing homes. By raising direct care wages and increasing financial accountability, we can improve the quality of care for older Marylanders while supporting the dedicated workforce that serves them.

AARP Maryland urges the General Assembly to support this bill and take meaningful action to protect nursing home residents and strengthen our long-term care system.

Thank you for your time and consideration. I respectfully urge a favorable report on this important legislation. For follow up or questions, please contact me at <a href="mailto:tbresnahan@aarp.org">tbresnahan@aarp.org</a> or by calling 410-302-8451.