

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1350 (Delegate P. Young, *et al.*)

Appropriations and Health and
Government Operations

Funding for Wage Increases for Medical Provider Workers

This bill requires that funding provided in the legislative appropriation for a 4.0% rate increase for specified Medicaid services in fiscal 2023 through 2026 be used to fund wage increases for (1) health care workers and (2) staff in nursing homes who provide direct care to residents, including housekeeping, laundry, nutritional, and activities services. The Governor's proposed budget for fiscal 2024 and each fiscal year thereafter must be presented in the same manner, including object and program information, as in the fiscal 2023 budget.

Fiscal Summary

State Effect: The bill has no fiscal or operational impact on the Maryland Department of Health (MDH), as discussed below.

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Current Law: Chapters 10 and 11 of 2019, among other actions, require the Governor's proposed budget to include specified rate increases for several types of health care providers over the funding provided in the prior year's legislative appropriation. For fiscal 2021 through 2026, the Governor's proposed budget must include a 4.0% rate increase over the funding provided in the prior year's legislative appropriation for provider reimbursement in Medicaid and the Maryland Children's Health Program for nursing home

services, medical day care services, private duty nursing services, personal care services, home and community-based services, and services provided through the Community First Choice program.

The Governor's proposed budget for fiscal 2021 and each fiscal year thereafter must be presented in the same manner, including object and program information, as in the fiscal 2020 budget.

State Fiscal Effect: The bill requires that the 4.0% Medicaid provider rate increases in fiscal 2023 through 2026 be used to fund wage increases for (1) health care workers and (2) staff in nursing homes who provide direct care to residents, including housekeeping, laundry, nutritional, and activities services. As the amount of the rate increase is not altered, there is no fiscal or operational impact on Medicaid.

MDH advises that, while the department sets reimbursement rates for the services rendered by providers, it does not have any role in setting wages or benefits paid to their employees. As such, oversight regarding provider compliance with the requirements of the bill will fall outside the scope of MDH's authority.

Small Business Effect: Small business providers serving Medicaid must ensure that rate increases in fiscal 2023 through 2026 are used to provide wage increases for health care workers. Small business nursing homes must use Medicaid rate increases in fiscal 2023 through 2026 to provide wage increases for staff who provide direct care to residents, including housekeeping, laundry, nutritional, and activities services.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 761 (Senator Rosapepe) - Budget and Taxation.

Information Source(s): Department of Budget and Management; Maryland Department of Health; Department of Legislative Services

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js/ljm

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