

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1129
Health

(Delegate Lopez, *et al.*)

Maryland Medical Assistance Program - Provider Agencies - Wages and Leave
for Personal Care Aides

This bill requires a “provider agency” to (1) pay a personal care aide (PCA) a wage of at least \$17 per hour and (2) provide specified sick and safe leave. The Maryland Department of Health (MDH) may request documentation from a provider agency to demonstrate compliance with the wage requirement. MDH may take appropriate enforcement action against a provider agency if the provider agency fails to comply with the bill. Appropriate enforcement may include imposition of a corrective plan, suspension or termination of Medicaid provider status, and any other action determined appropriate by MDH. By October 1, 2026, MDH must report to specified committees of the General Assembly the steps necessary to ensure that a minimum of 80% of Medicaid payments for personal care services is spent on compensation for PCAs and that PCAs receive an hourly wage of at least \$20 per hour. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: MDH can submit the required report using existing budgeted resources. Any potential impact on Medicaid under the bill is indeterminate, as discussed below.

Local Effect: None.

Small Business Effect: Meaningful.

Analysis

Bill Summary: “Provider agency” means an entity that pays a PCA to provide personal assistance services that are reimbursable by Medicaid under Community First Choice, Community Options, Community Personal Assistance Services, and any other home- and community-based services administered by MDH. It does not apply to personal care services provided through the Developmental Disabilities Administration.

Wage Requirement

A provider agency must provide written notice to each PCA employed by the provider agency of the wage requirement and the rate that the PCA will be paid.

Sick and Safe Leave

A provider agency must provide at least 24 hours of paid earned sick and safe leave. Sick and safe leave must be provided on January 1 each year to each PCA employed by the provider agency and, for a PCA hired during a calendar year, on the PCA's first day of employment. After a PCA employed by a provider agency works 720 hours in a calendar year, the provider agency must provide a minimum of one hour of sick and safe leave per every hour the PCA works.

The bill establishes that, to the extent these requirements conflict with the Maryland Healthy Working Families Act, the requirements for provider agencies under the bill prevail.

Current Law:

Maryland Healthy Working Families Act

Generally, the Maryland Healthy Working Families Act requires an employer with 15 or more employees to have a sick and safe leave policy under which an employee earns at least 1 hour of paid sick and safe leave, at the same rate as the employee normally earns, for every 30 hours an employee works. An employer with 14 or fewer employees, based on the average monthly number of employees during the preceding year, must at least have a sick and safe leave policy that provides an employee with at least 1 hour of unpaid sick and safe leave for every 30 hours an employee works.

An employer is not required to allow an employee to earn or carry over more than 40 hours of earned sick and safe leave in a year, use more than 64 hours of earned leave in a year, accrue more than 64 hours at any time, or use earned sick and safe leave during the first 106 calendar days the employee works for the employer. An employer is not required to carry over unused earned sick and safe leave if the leave is awarded at the beginning of each year.

The Act does not apply to specified circumstances, such as employees who regularly work less than 12 hours a week, specified independent contractors, and individuals younger than age 18.

An employer must allow an employee to use earned sick and safe leave:

- to care for or treat the employee’s mental or physical illness, injury, or condition;
- to obtain preventive medical care (including cancer screening) for the employee or employee’s family member;
- to care for a family member with a mental or physical illness, injury, or condition;
- for maternity or paternity leave; and
- for specified circumstances due to domestic violence, sexual assault, or stalking committed against the employee or the employee’s family member.

Medicaid

Maryland Medicaid has 1,247 enrolled Residential Service Agencies (RSAs) providing personal assistance services. In fiscal 2025, MDH reimbursed RSAs \$513.4 million for personal assistance services provided to 16,151 Medicaid participants. MDH is responsible for determining the Medicaid reimbursement rate for personal assistance services rendered by RSAs. MDH does not directly hire RSA staff, nor does it set their wages or benefits, or allowances for sick and safe leave.

State Fiscal Effect: In fiscal 2025, Medicaid reimbursed RSAs for personal assistance service providers at a rate of \$25.58 per hour (\$6.3962 per 15-minute unit). MDH advises that as Medicaid’s current reimbursement rate for RSAs is higher than the \$17 hourly rate mandated under the bill, the department assumes it will not incur any additional costs under the bill’s wage provisions. However, the bill’s provisions related to allowing personal care aides certain sick and safe leave may have an indeterminate impact on Medicaid.

MDH advises that the department is currently implementing home- and community-based services cost reports that are designed to collect information verifying that at least 80% of Medicaid personal care payments are used to fund personal care aide compensation. The first report is expected to be issued in July 2026. MDH is following the timeline that aligns with the federal Ensuring Access to Medicaid Services Final Rule, which mandates full implementation of the 80/20 payment adequacy requirement by 2030.

The Maryland Department of Labor enforces the Maryland Working Families Act; the department advises it can modify enforcement with existing resources for the carve out under the bill.

Small Business Effect: Small business provider agencies must pay a specified wage and provide specified sick and safe leave or be subject to enforcement action by MDH.

Additional Information

Recent Prior Introductions: Similar language has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Maryland Department of Health; Maryland Department of Labor; Department of Legislative Services

Fiscal Note History: First Reader - March 3, 2026
caw/ljm

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