TO:	The Honorable Dereck E. Davis, Chair Members, House Economic Matters Committee The Honorable Kriselda Valderrama
FROM:	Danna L. Kauffman Pamela Metz Kasemeyer
DATE:	February 24, 2020
RE:	**OPPOSE (Written Only)** – House Bill 839 – *Labor and Employment – Family and Medical Leave Insurance Program – Establishment*

On behalf of the LifeSpan Network, the Maryland-National Capital Homecare Association (MNCHA) and the Maryland Association of Adult Day Services (MAADS), we respectfully oppose House Bill 839. Members of the LifeSpan Network, MNCHA, and MAADS provide care to the elderly and disabled in nursing facilities, assisted living communities, medical adult day centers and other various home-and-community based settings. Many of the individuals cared for by these providers are Medicaid recipients. We value our workforce and understand that there are times that this workforce must be absent to care for their own family members. However, as providers of care to the elderly and disabled, we must balance this need against our obligation to ensure that quality of care is able to be provided to our residents and clients on a consistent and uninterrupted basis.

House Bill 839 would create and implement a Family and Medical Leave Insurance Program funded through employee and employer contributions. House Bill 839 affords leave to a greater number of employees than the federal Family and Medical Leave Insurance Act. Unlike the federal Family and Medical Leave Act, House Bill 839 applies to all employers (rather than those with 50 or more employees), allows an employee who has worked at least 680 hours (rather than 1,250 hours) to qualify for the leave, and allows an employee to take the leave to care for an expanded list of family members.

Over the last two years, Maryland has implemented the Maryland's Healthy Working Families Act (paid sick and safe leave) and increased the State's minimum wage, both of which have had a financial and operating impact on members. While we appreciate the increased rates afforded under the minimum wage bill to Medicaid providers[1] to offset a portion of the minimum wage increase, this rate increase cannot absorb another mandate. In addition, for providers that care for non-Medicaid individuals, the cost cannot be absorbed and would need to be passed on to residents/clients, putting them at financial risk since many are on fixed incomes.

[1] While House Bill 166 "Fight for Fifteen" mandated a four percent rate increase to begin July 1, 2020, the Fiscal Year proposed budget has reduced the rate to two percent.

Equally important is that fact that when employees are absent from work, care still must be provided. While the absent employee would be compensated by the established Fund under the bill, the employer would still need to pay for a replacement worker to ensure that care is being provided. Often, this is through overtime of existing staff or contracting with nurse staffing agencies, which is often at a higher cost to the employer. In addition, because House Bill 839 extends the right to take leave to additional employees as compared to the federal law, employers may be placed in a position of having a greater number of employees out, causing a higher cost to the employer for replacement staff.

While we believe that House Bill 839 is well-intentioned, we would request an unfavorable vote given that employers are still adjusting to the recent implementation of paid sick and safe leave and the increasing minimum wage.

For more information call:
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