



TESTIMONY IN SUPPORT OF HB 652

Health Facilities – Residential Service Agencies – Compliance with State Labor Laws

*House Health and Government Operations Committee
February 18, 2021*

Submitted by Stacey Jefferson and Julia Gross, Co-Chairs

Member Agencies:

Advocates for Children and Youth
Baltimore Jewish Council
Behavioral Health System Baltimore
CASH Campaign of Maryland
Catholic Charities
Episcopal Diocese of Maryland
Family League of Baltimore
Fuel Fund of Maryland
Health Care for the Homeless
Homeless Persons
Representation Project
Job Opportunities Task Force
League of Women Voters of Maryland
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Maryland Center on Economic Policy
Maryland Community Action
Partnership
Maryland Family Network
Maryland Hunger Solutions
Paul's Place
Public Justice Center
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Welfare Advocates

Marylanders Against Poverty

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Marylanders Against Poverty (MAP) strongly supports HB 652, which requires state guidance on extending employee protection policies to personal care aids employed by residential service agencies.

Misclassification of low-wage employees as independent contractors is one of the biggest – but least visible – issues keeping many thousands of Maryland workers in poverty. Misclassification takes workers outside our social safety net, leaving them without workers' compensation protections, unemployment protections, the right to minimum wage and overtime – even, in many cases, protections from discrimination. It is a huge problem that does not receive enough attention, especially given the harms it causes to Marylanders struggling to get by on low wages.

The problem of independent contractor misclassification is especially harmful in the home care industry. Maryland has approximately 30,000 personal care aides, the vast majority of whom are women of color. And many of these personal care aides are being misclassified as independent contractors by the home care agencies they work for. The problem is especially bad with home care work that is funded by Medicaid – in this subsection of the industry, many thousands of Maryland personal care aides are misclassified.

But the fact that this is state-funded work gives us an opportunity to do more to make sure that these are jobs that do not violate workers' rights. Requiring that, for Medicaid-funded work, agencies report to the state workers' employment classification and pay rate is the bare minimum we should do. Transparency in how state money is spent is important and should be the norm. Shining a light on these practices will encourage home care agencies to comply with the law, without imposing any burden on them.

MAP appreciates your consideration and urges the committee to issue a favorable report for HB 652.

Marylanders Against Poverty (MAP) is a coalition of service providers, faith communities, and advocacy organizations advancing statewide public policies and programs necessary to alleviate the burdens faced by Marylanders living in or near poverty, and to address the underlying systemic causes of poverty.