



Official Testimony – Senate Budget and Taxation Committee

SB 761

Funding for Wage Increases for Medical Provider Workers

Position: **FAVORABLE**

Chair Guzzone and members of the Committee,

My name is Claudia Balog, I lead the Research Department of the Maryland/DC Division of 1199SEIU United Healthcare Workers East. We are the largest healthcare workers union in the nation, and we represent 10,000 workers in long-term care facilities, hospitals and clinics throughout Maryland and the District of Columbia. Our union supports SB 761 we urge this Committee to issue a favorable report.

The COVID pandemic has highlighted existing weaknesses in our health care delivery systems, and nursing homes have proven to be most vulnerable. Our members are on the front lines of our skilled nursing facilities, working every day under increasing staff shortages. Any solution to our staffing crisis must include addressing the low wages of this workforce.

1199SEIU has been actively engaged in advocating for the direct care workers in Skilled Nursing Facilities across many states, including Massachusetts and New Jersey. Maryland must follow the example of states across the country who are doing two things: 1) acknowledging the crisis, and 2) responding to it.

Massachusetts has had a program since 2001 with an appropriations bill that set aside money for the sole purpose of funding base hourly wage increases for certified nurse aides at skilled nursing

facilities<sup>1</sup>. The 2019 version of this bill set aside \$38.3 million to fund wages related to all direct care staff in nursing homes, including CNAs (Certified Nurse Aides), housekeeping, laundry, dietary and activities staff.<sup>2</sup>

In 2020, in the wake of the pandemic, New Jersey released a report outlining key steps that needed to be taken to strengthen the resilience of their nursing homes.<sup>3</sup> One of the findings of the report was that high staff turnover in nursing homes weakened the quality of care, and the report specified that low wages drove many of these workers to take multiple jobs, contributing to the turnover. In response, New Jersey increased Medicaid nursing facility rates, with requirements that this additional revenue be spent on wages.<sup>4</sup>

Michigan is also now allowing the nursing facilities certified to participate in Medicaid to request additional reimbursement for their direct care workers.<sup>5</sup> They are one of many states who are using federal dollars released through the American Rescue Plan Act (ARPA) as a launchpad to jumpstart these higher wages. However, their Governor has already stated a commitment to ensuring those wages are permanently funded.<sup>6</sup>

This investment in our long-term care infrastructure is also important to Maryland's unique healthcare system. Maryland is the only state which operates under what is called a Total Cost of Care Model, a unique hospital rate-setting system, overseen by the Health Services Cost Review Commission. While the HSCRC does not have authority over long-term care providers, our Maryland Model demands that care settings outside of our hospitals provide high quality care. In

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<sup>1</sup> 2001 Bill Text Massachusetts House Bill 4800; §4000-0600 (2001)

<sup>2</sup> 2001 Bill Text Massachusetts House Bill 4800; §4000-0641 (2019)

<sup>3</sup> <https://www.state.nj.us/ooie/news/div-assets/docs/ManattRecommendations.pdf>

<sup>4</sup> New Jersey Department of Human Services, Division of Aging Services, Nursing Facility SFY2021 Rate Increase FAQ, November 6<sup>th</sup>, 2020, available online at:

<https://www.nj.gov/humanservices/library/slides/NF%20SFY2021%20Rate%20Increase%20FAQ.pdf>

<sup>5</sup> Michigan Department of Health and Human Services, Long-Term Care COVID-19 Plan, Direct Care Workforce, Skilled Nursing Facilities, available online at: [https://www.michigan.gov/coronavirus/0,9753,7-406-98178\\_100722--00.html](https://www.michigan.gov/coronavirus/0,9753,7-406-98178_100722--00.html)

<sup>6</sup> [Governor Whitmer 2021 State of the State Remarks as Prepared for Delivery 714535 7.pdf \(michigan.gov\)](#)

fact, our system's success hinges on the ability of all providers across the spectrum to ensure that we reduce unnecessary hospitalizations. So, we must prioritize long-term care settings such as skilled nursing facilities when we address our healthcare system.

Finally, it is time to confront the historic racial and gender inequities in the direct care workforce. The direct care workforce in our nursing homes is overwhelmingly made up of Black women.<sup>7</sup> We are not only failing to attract new workers to these jobs, but we are also trapping those who are currently in this workforce in poverty.

For these reasons, 1199SEIU urges you to issue SB 761 a favorable report. I am happy to answer any additional questions and can be reached at [claudia.balog@1199.org](mailto:claudia.balog@1199.org).

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<sup>7</sup> PHI, The Direct Services Workforce in Long-Term Services and Supports in Maryland and the District of Columbia, 2018, available at <http://phinational.org/resource/the-direct-services-workforce-in-ltss-in-md-and-dc/>.