

CORY V. McCRAY
Legislative District 45
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DEPUTY MAJORITY WHIP

Budget and Taxation Committee

Subcommittees

Vice Chair, Capital Budget

Pensions

Chair, Public Safety, Transportation,
and Environment



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

March 8, 2022

Dear Chair, Vice Chair and members of the committee:

I write to you to encourage a favorable report on SB 863.

1. The members of this committee already know the challenges facing home care in Maryland.
 - a. You know that older adults and people with disabilities have a hard time finding home care workers to provide them with the care they need to stay in their homes and communities, so they do not need to go into a nursing home.
 - b. You also know the industry perspective. Medicaid reimbursement rates are too low and don't allow them to pay enough to attract and retain workers while also making a profit, and they can't find enough home care workers as a result.
 - c. And you know the home care workers' perspective. 90% of Maryland's home care workers are women and about 70% are Black. Their average pay in Maryland is just \$13.50 an hour. Underpaid and exhausted workers are leaving for higher paying, less stressful jobs. And the problem is getting worse with inflation.
2. Unfortunately, Maryland's home care workforce is running on fumes. Providers – the state's residential service agencies – are employing all the workers they can at the wages they can pay based on current Medicaid rates. With high turnover, it is increasingly difficult for providers to hire replacement workers. Unless we increase rates to allow providers to pay a more competitive wage, Marylanders will go without the care they need.
3. SB 863 is a critical first step in rebuilding Maryland's crumbling home care workforce.
 - a. First, it will help providers compete for workers in this tight labor market by increasing Medicaid reimbursement rates for home care by 15%, which is just over \$3 an hour, because the current reimbursement rate is \$20.54 an hour.
 - b. Second, the bill values home care workers by improving their pay, requiring that for Medicaid-funded home care, workers must be paid at least \$16 an hour, once the provider rate increase has taken effect.
 - c. This additional funding will create thousands of good paying jobs while narrowing gender and racial pay gaps. It will help provider agencies recruit and retain more workers, earning more money for them, too. And it will provide the larger, more stable home care workforce that tens of thousands of Marylanders depend on.

4. So, we have to ask, if not now, when? We have a significant state surplus and hundreds of millions of dollars from the American Rescue Plan Act. Congress is discussing a bill that would send \$150 billion to states just for this home care workforce – money that, if SB 863 passes, could fund this bill by the time it takes effect. The time is right for a solution that serves the needs of all stakeholders.

Respectfully,

A handwritten signature in blue ink, appearing to read "Cory V. McCray". The signature is fluid and cursive, with a large initial "C" and a long horizontal stroke.

Cory V. McCray

45th district