



DEPARTMENT OF HEALTH

Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Dennis R. Schrader, Secretary

March 8, 2022

The Honorable Delores G. Kelley
Chair, Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401-1991

**RE: SB 863 – Maryland Medical Assistance Program – Personal Care Aides –
Reimbursement and Required Wage – Letter of Information**

Dear Chair Kelley and Committee Members:

The Maryland Department of Health (MDH) respectfully submits this letter of information on Senate Bill (SB) 863 – Maryland Medical Assistance Program – Personal Care Aides – Reimbursement and Required Wage. SB 863 will require MDH to increase the reimbursement rate for personal care services by fifteen percent (15%) beginning on October 1, 2022. Additionally, the agencies that employ personal care aides will be required to increase their wages to at least \$16 per hour. MDH will be required to develop a process for aides to report an agency's failure to comply. Lastly, agencies will also be required to submit an annual report to MDH, and any failure to provide adequate wages may result in appropriate enforcement action.

As written, MDH estimates that SB 863 will cost \$65.9 million total funds per year (\$33 million in federal funds and \$33 million in State general funds) based on the rate increase.

Additionally, while MDH sets reimbursement rates for the services rendered by the agencies, it does not have any role in setting wages or benefits the agencies pay their employees. The enforcement of employment laws falls outside MDH's purview. MDH further believes that the mandate requiring agencies to pay a certain hourly rate and report on their compliance falls outside the scope of its authority.

If you have any questions or would like to discuss this further, please contact Heather Shek, Director of Governmental Affairs, at heather.shek@maryland.gov or (443) 695-4218.

Sincerely,

Dennis R. Schrader
Secretary