



Comments in Support of SB863

Medicaid - Personal Care Aides - Reimbursement and Required Wage

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The National Domestic Workers Alliance (“NDWA”) submits this testimony in support of SB863 Medicaid - Personal Care Aides - Reimbursement and Required Wage.

NDWA is the nation’s leading voice for dignity and fairness for the millions of domestic workers in the United States. Founded in 2007, the National Domestic Workers Alliance represents 2.2 million domestic workers who work as nannies, home care workers, and house cleaners in private homes, providing essential care and supportive services to children, aging parents, and family members with disabilities every day. NDWA reaches and engages over 250,000 domestic workers on a regular basis through our 63 affiliate organizations in 36 cities and 17 states, our state and local chapters in North Carolina, Georgia, Houston/Harris County (TX), San Jose (CA), Philadelphia, the DMV (Washington D.C., Virginia & Maryland), and New York, and through our digital platforms. Domestic workers are overwhelmingly women, well over half are women of color. While the National Domestic Workers Alliance is a national organization, our DMV chapter is a locally operated, membership-based organization covering the geographical area of Washington DC, Maryland, and Virginia and is staffed by several local organizers.

Care work is the foundation upon which strong economies and societies are built. Care workers- those who do the tremendous labor of caring for our aging and disabled loved ones, who educate and nurture our children, and who care for our homes- are the essential workforce that holds us all together. From birth to end-of-life, we all share the need for care and we must develop an infrastructure that meets the needs of those seeking care AND those providing care. The work of Personal Care Aides has historically been devalued by society due to longstanding racism and sexism that contributes to the failure to recognize and value caregiving as the essential work it is in our society. It is the goal of the National Domestic Workers Alliance to make visible the critical work performed primarily by women of color and raise working standards for this workforce.

The home care workforce has more than doubled in size over the past 10 years from nearly 840,000 in 2007 to over two million in 2017.¹ As the baby-boom population ages and the elderly population grows, the demand for the services of health aides and personal care aides will continue to increase.² Over

¹ Stephen Campbell, U.S. Home Care Workers: Key Facts (2018), available at <https://phinational.org/resource/u-s-home-care-workers-key-facts-2018/>

² U.S. Bureau of Labor Statistics (BLS), Division of Occupational Employment Statistics (OES). 2018. May 2007 to May 2017 National Industry-Specific Occupational Employment and Wage Estimates, available at: <https://www.bls.gov/oes/current/oessrci.htm>.

127,000 residents of Maryland need help with daily activities such as bathing or dressing.³ Fifteen percent of the Maryland population over the age of 65 have reported difficulties with activities of daily living (ADLs) or instrumental activities of daily living (IADLs) - and the need only continues to grow.⁴

In Maryland, the number of older adults was predicted to grow by 75 percent in the 30-year period from 2015 to 2045 – from 837,500 to nearly 1.5 million.⁵ During the same period, the number of adults aged 85 and over will increase by nearly 200 percent. With only 5 percent expected growth among working-age adults, the ratio of working-age adults to those aged 85 and above in the state will shrink from 32:1 in 2015 to just 12:1 by 2045. With anticipated separations and growth, research anticipates 37,000 job openings in the state for personal care aides, by 2028.

Despite the increasing demand and essential nature of home care, the caregiving work of personal care aides is still not valued- workers receive extremely low pay, few benefits and enjoy limited protections. The median wage for all the state’s home health and personal care aides is just \$13.51/hr – but it is likely even less for Medicaid-funded workers. Even through the past two years of the pandemic, home care workers were risking their lives every single day -- their safety and health, and that of their families -- to provide essential care.

Raising wages for home care workers is critical to address staffing shortages and meet the growing demand for this essential work in Maryland. Increased wages will not only stabilize the workforce and lead to better quality of care, but without it, the state will be unable to care for its growing populations in need and support their family members. Work should provide people with economic stability, safety, and the opportunity to contribute to their communities. It should be a place where workers are treated fairly and with respect. By providing Personal Care Aides who support consumers in publicly funded Medicaid programs with a wage of at least \$16/hr, SB863 is critical to raising standards for this home care workforce.

Preliminary research shows that during the COVID-19 pandemic, where states were able to implement hazard pay with the additional federal Medicaid dollars, this small temporary hourly increase in caregivers’ wages had an enormous positive impact on their housing and food security, access to health care, mental health, and savings. Increases also helped to fill vacancies in the workforce and ensure greater retention of workers. A long-term increase in reimbursement rates and guaranteed wage increases is the only way for agencies to provide workers competitive and livable wages and avoid ongoing labor shortages and high turnover. Maryland society only suffers as a result of low wages, as consumers are unable to find workers to provide the critical care that they need. To address these challenges in the care system, following the example of numerous states across the country including Pennsylvania, Montana, Minnesota and Indiana, Maryland should pass SB863 to increase the Medicaid reimbursement rate by 15% and guarantee that personal care aides whose work is funded by Medicaid be paid at least \$16 per hour.

³ Paul, Rafal, & Houtenville. 2020. Annual Disability Statistics Compendium: 2020 (Table 1.8). University of New Hampshire, Institute on Disability, available at: https://disabilitycompendium.org/sites/default/files/user-uploads/Events/2021_release_year/Final%20Accessibility%20Compendium%202020%20PDF_2.1.2020reduced.pdf

⁴ PHI, *The Direct Services Workforce In Long-Term Services And Supports in Maryland and The District Of Columbia*, September 21, 2018, available at: <http://phinational.org/resource/the-direct-services-workforce-in-ltss-in-md-and-dc/>

⁵ Id.

The care economy is the foundation of the entire economy. Maryland has an opportunity to invest in the essential workforce that provides critical services to millions of people, who depend on these services to live at home and within their communities with dignity. By 2030, caregiving jobs are predicted to represent the fastest-growing workforce in the American economy, yet home care workers continue to earn insufficient wages and lack financial security. As our population ages and the demand for home and community-based services sharply rises, Marylanders will be left to fend for themselves and their loved ones without this intervention. We implore you to keep older adults and residents with disabilities in their homes by investing long term in the livelihood of MD's home care workforce.

Medicaid-funded work is government-funded work. Why is it that when the workforce is 90% women and mostly women of color – as it is in Maryland – do we ignore low pay and job quality? We should pay extra attention to this essential workforce, invest money into the care infrastructure and guarantee that home care agencies who receive state funds pay livable wage to these workers who perform this essential care. Maryland will never solve the home care workforce crisis – a growing shortage of these essential workers – until it dedicates resources and measures to uplift the wages and improve the job quality of home care workers.

For these reasons, we wholeheartedly support SB863. The pandemic has laid bare that home care workers are essential, taking care of our families. It is time for us to start thinking about their needs and this bill is an important way to care for them.

Sincerely,

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