



Complete Home Care, LLC
90 Painters Mill Rd., Suite 215
Owings Mills, MD 21117

February 15, 2022

Re: Senate Finance Committee: Support SB600

Dear Members of the House Health and Government Operations Committee,

My name is Alex Berezin, and I serve as CEO of Complete Home Care, LLC. As a Residential Services Agency (RSA), our goal is to take care of the client with the most comprehensive services and the most compassionate care. But in order to take care of our clients, we need to take care of our staff. This means properly classifying them as W-2 employees – with benefits – rather than 1099 independent contractors who lack all benefits. It also means paying them as much as we can, given the Maryland Department of Health’s low reimbursement rates for Medicaid-funded care.

However, there is currently an extreme shortage of home care workers in Maryland. It is very difficult to hire and keep workers, and part of the reason for this is that so many RSAs are misclassifying their workers as 1099 independent contractors when they are really employees. When RSAs compete for workers solely on what “tax-free” wage rate they offer, what it really means is that they are misclassifying workers as independent contractors and not paying Social Security and Unemployment taxes. Further, when RSAs do this it leads to caregivers jumping from agency to agency. The turnover hurts the people who rely on care because they end up with a rotating group of workers caring for them, which can be traumatic.

Medicaid is a government-funded program, a privilege for business owners to work with. **Requiring that RSAs report, for Medicaid-funded work only, workers’ classifications and pay rates is not burdensome and would not put RSAs at any competitive disadvantage, but it would help encourage RSAs to do the right thing.** And, it would ensure that you all – as Maryland’s policymakers – know this very basic information about the Medicaid home care workforce in Maryland (which, after all, is funded with state money) and about how RSAs are treating these workers. I am confident that when you see how some RSAs treat their home care workforce, you will see that there is a greater need for action to ensure that workers receive more pay (including by increasing Medicaid reimbursement rates) and that RSAs properly classify workers as employees so they can receive benefits, not independent contractors.

For these reasons, I ask that you support SB600.

Sincerely,

Alex Berezin