



Official Testimony – Senate Finance Committee

SB 863

Maryland Medical Assistance Program – Personal Care Aides – Reimbursement Required Wage

Position: **FAVORABLE**

Chair Kelley, Vice Chair Feldman and Members of the Committee,

My name is Claudia Balog I lead the Research Department of the Maryland/DC Region 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 863 we urge this Committee to issue a favorable report.

We have all learned how the COVID pandemic highlighted existing weaknesses in our health care delivery systems, and home care is no exception. Our members are on the front lines of our long-term care health care system, working every day under critical staff shortages. We know that the conditions for our counterparts who provide home and community-based support are equally dire. We also know that when fewer Marylanders can receive the home care services that they qualify for, this puts enormous pressure on other health care settings, such as our nursing homes and hospitals. Any solution to our staffing shortage must include addressing the low reimbursement rates paid by Maryland Medicaid, along with the poverty wages of this workforce.

1199SEIU has been actively engaged in advocating for the Medicaid personal care workforce 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.

In fact, states across the country such as Minnesota,¹ Colorado² and Wisconsin³ are using their resources to require that provider rate increases be used specifically to improve the wages of direct care workers. Many are using federal dollars released through the American Rescue Plan Act (ARPA) as a launchpad to jumpstart these higher wages.

New Jersey will invest \$634 million in Federal and State money to strengthen and expand their home and community-based services. The personal care assistant rate will jump to \$23/hour.⁴ Tennessee is launching an ambitious plan to use their enhanced FMAP funding from ARPA to invest nearly \$140 million in wage increases for direct care workers.⁵ Wisconsin has been investing a total of \$247.4 million over the last 2 years in workforce funds for providers.⁶ Michigan is developing a concrete plan⁷ to raise the wages of direct care workers. ARPA funds will be used to launch higher wage rates for home care workers,⁸ and Governor Whitmer has already publicly expressed interest in making this wage increase permanent.⁹

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's 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 jurisdiction over long-term care providers, our Maryland Model demands that care settings outside of our hospitals provide high quality care. In fact, our system's success hinges on the ability of all providers across the spectrum to ensure that

¹ <https://www.keyc.com/2021/10/01/walz-announces-pay-increase-new-benefits-minnesota-pcas/>

² <https://leg.colorado.gov/bills/sb19-238>

³ <https://www.dhs.wisconsin.gov/medicaid/ltc-workforce-funding-faq.htm>

⁴ [Office of the Governor | ICYMI: New Jersey to Invest \\$634M to Enhance Medicaid Services for Older Adults and Individuals with Disabilities \(nj.gov\)](#)

⁵ See PHI webinar: "How Should States Invest in the Direct Care Workforce," October 19, 2021. [Webinar: How Should States Invest in the Direct Care Workforce? \(10-19-21\) - YouTube](#)

⁶ <https://www.dhs.wisconsin.gov/medicaid/ltc-workforce-funding-faq.htm>

⁷ <https://www.chcs.org/media/Forging-a-Path-Forward-to-Strengthen-Michigans-Direct-Care-Workforce.pdf>

⁸ [Coronavirus - Long Term Care COVID-19 Plan \(michigan.gov\)](#)

⁹ [Governor Whitmer 2021 State of the State Remarks as Prepared for Delivery 714535 7.pdf \(michigan.gov\)](#)

we reduce unnecessary hospitalizations. So, we must prioritize long-term care settings when we talk about our healthcare system.

Finally, it is time to confront the historic racial and gender inequities in the direct care workforce. The Personal Care Aides who care for Marylanders receiving Medicaid Home Care services are overwhelmingly made up of Black women.¹⁰ We are not only failing to attract workers to these jobs, we are trapping those who are currently in this workforce in poverty.

For these reasons, 1199SEIU urges you to issue SB 863 a favorable report. If you have any questions, please email me at claudia.balog@1199.org.

¹⁰ 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/>.