

# **SB 863 Testimony - Alana Eichner, National Domesti**

Uploaded by: Alana Eichner

Position: FAV



## Comments in Support of SB863

### Medicaid - Personal Care Aides - Reimbursement and Required Wage

March 7, 2022

Submitted via: <https://mgaleg.maryland.gov/mgawebsite/MyMGATracking/WitnessSignup>

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.<sup>1</sup> 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.<sup>2</sup> Over

---

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

<sup>2</sup> 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.<sup>3</sup> 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.<sup>4</sup>

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.<sup>5</sup> 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.

---

<sup>3</sup> 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](https://disabilitycompendium.org/sites/default/files/user-uploads/Events/2021_release_year/Final%20Accessibility%20Compendium%202020%20PDF_2.1.2020reduced.pdf)

<sup>4</sup> 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/>

<sup>5</sup> 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,

Alana Eichner  
DMV Lead Organizer  
National Domestic Workers Alliance  
alana@domesticworkers.org  
617-921-8724

# **NASW-MD - SB 863 FAV - Home Care Services Rate and**

Uploaded by: Ann Ciekot

Position: FAV



**Testimony Before the Senate Finance Committee  
March 8, 2022**

**Senate Bill 863 Maryland Medical Assistance Program – Personal Care Aides –  
Reimbursement and Required Wage**

**Support**

On behalf of the National Association of Social Workers, Maryland Chapter (NASW-MD) Committee on Aging, we would like to express our support for Senate Bill 863 Maryland Medical Assistance Program – Personal Care Aides – Reimbursement and Required Wage.

As social workers, we are in favor of this bill because it strengthens the workforce that cares for vulnerable older adults and persons with disabilities. The bill requires the Maryland Medical Assistance Program to increase their reimbursement rates for long-term services and supports, and for provider agencies to provide a specific minimum wage to personal care aides. Maryland and many other states face significant challenges in adequately staffing personal care aides and one of the reasons for this is poor compensation and benefits. Worker shortages and worker turnover result in poorer care for older Marylanders and Marylanders with disabilities.

Most personal care aides are employed less than full time, have hours that change frequently, and do not receive health benefits or paid leave. Many work for more than one agency to make ends meet. According to the Federal Bureau of Labor Statistics, the national average wage for a personal care aide is \$13.02 per hour. If the person works full time, this would result in an annual salary of just over \$27,000 per year. This is around 150% of the federal poverty line for a family of two (\$26,130). However, as previously stated, it is difficult for personal care aides to find full time work. This wage increase would decrease the need for care aides to rely on government programs such as SNAP and Medicaid to meet their own needs.

Currently, older Marylanders and Marylanders with disabilities rely on personal care aides to receive necessary daily care with tasks such as bathing, grooming, and dressing. Assistance with these tasks often allows them to remain in their homes rather than having to enter nursing homes. Most of these individuals would prefer to remain in the community, and living in the community is less costly for the state of Maryland.

Improving the working conditions of personal care aides would make these jobs more appealing, leading to a more secure workforce and more consistent care for community dwelling older Marylanders and Marylanders with disabilities. We ask that you give a favorable report to Senate Bill 863.

Respectfully,

Mary Beth DeMartino, LCSW  
Executive Director, NASW-MD

**SB863\_Marylanders for Patient Rights\_fav.pdf**

Uploaded by: Anna Palmisano

Position: FAV

## *Marylanders for Patient Rights*

---

### **MARYLANDERS FOR PATIENT RIGHTS REQUESTS A FAVORABLE REPORT ON SB863: Medicaid – Personal Care Aides – Reimbursement and Required Wage**

Marylanders for Patient Rights is a leading advocacy group for patients in our state. We strongly support SB863 which will 1) increase the Medicaid reimbursement rate by 15%, and 2) require a minimum wage of \$16 for personal care aides, beginning in July 1, 2023. SB863 is vitally important to maintaining a workforce essential to the quality of life of older adults and those with disabilities, as well as the families who rely upon them.

An alarming shortage of personal care aides has been predicted as our population ages. A 2018 study by Phi National, a recognized authority on direct care workforce, estimated that Maryland will need 40% more careworkers in the next ten years, as our population ages. Finding and keeping home health care workers is becoming increasingly difficult for Marylanders and their families, as caregivers opt for better paying employment. Retail giants and fast food restaurants often have more competitive salaries than are available for personal care aides.

It is important to note that SB863 benefits not only workers, but businesses as well. Residential Service Agencies currently suffer from high employee turnover, with the associated costs and disruption. This bill will benefit businesses by helping to stabilize the workforce numbers and by increasing the Medicaid reimbursement rate by 15%, about \$3 per hour.

SB863 is similar to a Maine law passed last year, which increased reimbursement rates while requiring that Medicaid funded workers be paid at least 25% more than minimum wage--\$15.94 per hour. "Wage pass-through" policies like this one have been implemented in states across the country. Maryland should follow their lead.

Please provide a favorable report on SB863, and help to ensure retention of our essential workforce of personal care aides.

Thank you,

*A C Palmisano*

Anna C. Palmisano, Ph.D, Director  
Marylanders for Patient Rights  
palmscience@verizon.net



**SB863\_DRM\_FAV Audrey Sellers 3.8.22.pdf**

Uploaded by: Brennan Lester

Position: FAV



Empowerment. Integration. Equality.

1500 Union Ave., Suite 2000, Baltimore, MD 21211

Phone: 410-727-6352 | Fax: 410-727-6389

[www.DisabilityRightsMD.org](http://www.DisabilityRightsMD.org)

**SENATE FINANCE COMMITTEE**  
**SENATE BILL 863: MARYLAND MEDICAL ASSISTANCE PROGRAM - PERSONAL CARE AIDES - REIMBURSEMENT AND REQUIRED WAGE**

**March 08, 2022**

**POSITION: SUPPORT**

Thank you, Madam Chair Pendergrass and Committee Members, for the opportunity to provide testimony on Senate Bill 863: Maryland Medical Assistance Program - Personal Care Aides - Reimbursement and Required Wage. Disability Rights Maryland (DRM – formerly Maryland Disability Law Center) is the federally designated Protection and Advocacy agency in Maryland, mandated to advance the civil rights of people with disabilities. DRM works to increase opportunities for Marylanders with disabilities to be integrated in their communities, live independently and access high-quality, affordable health care.

Demand for health care workers is high, but job quality is often low, resulting in poor outcomes for people that require care. SB 863 would require the Medicaid reimbursement rate to be increased by 15%, a little over \$3 per hour. Second, it provides that starting July 1, 2023, personal care aides (PCA), whose work is funded by Medicaid, must be paid at least \$16 per hour. These rate increases would benefit care provider businesses in Maryland and their employees. These rate increases would also address the historical race and gender inequalities inherent in care giving. Care work often is not considered “work” because it is performed by women, especially women of color. Personal care aides in Maryland are mostly Black women, and many are immigrants: about 90% are women and about 70% are Black and about 25% are immigrants.<sup>1</sup> Very low Medicaid reimbursement rates and a low state minimum wage, of only \$12.20 for employers with 15 or more employees and \$12.50 for employers with 14 or fewer employees, traps these workers and their families in poverty. There are jobs, such as Target, where the work is not as taxing and the required skill level is lower offering \$24 per hour, almost twice as much as Maryland’s minimum wage. Higher reimbursement rates, combined with a higher wage minimum, will help move Maryland closer to race equity and gender equity and incentivize PCAs to stay in the field.

DRM’s clients have reported significant aide shortages during the public health emergency, which resulted in one client being stuck in their wheelchair for almost 48 hours. While staff shortages and call-outs are not new problems, it has gotten worse over the last two years as many PCAs have left the field for other work. The lack of equity and livable wages for PCAs reflects a system that does not value this workforce or the people PCAs serve. People with disabilities deserve a care system that invests in PCAs and ensures that they are able to receive the medically necessary care they are entitled to.

---

<sup>1</sup> 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/>; <http://www.phinational.org/news/phi-launches-institute-to-address-inequities-in-the-direct-care-workforce/>.

Health care is a critical public service, especially given the current pandemic. People with intellectual and developmental disabilities are three times more likely to become infected with COVID-19 and die than those without disabilities.<sup>2</sup> PCA staffing shortages are placing Marylanders with disabilities in danger of unnecessary institutionalization and significant gaps in care. SB 863 will have the impact of improving Maryland's HCBS system, both for participants and providers, which furthers the goals of and compliance with the *Olmstead* decision and community integration mandate of the Americans with Disabilities Act (ADA).<sup>3</sup>

**For these reasons, DRM strongly supports Senate Bill 863.**

Respectfully,

**Audrey Sellers**

Advocate

Disability Rights Maryland

1500 Union Avenue, Ste. 2000

Baltimore, MD 21211

410-727-6352 ext. 2601

[AudreyS@DisabilityRightsMD.org](mailto:AudreyS@DisabilityRightsMD.org)

---

<sup>2</sup> Risk Factors for COVID-19 Mortality among Privately Insured Patients, A FAIR Health White Paper in Collaboration with the West Health Institute and Marty Makary, MD, MPH, from Johns Hopkins University School of Medicine, November 11, 2020.

<https://s3.amazonaws.com/media2.fairhealth.org/whitepaper/asset/Risk%20Factors%20for%20COVID-19%20Mortality%20among%20Privately%20Insured%20Patients%20-%20A%20Claims%20Data%20Analysis%20-%20A%20FAIR%20Health%20White%20Paper.pdf>

<sup>3</sup> *Olmstead v. L.C.*, 527 U.S. 581 (1999); 42 U.S.C. § 12101.

**SB863\_Maryland Center on Economic Policy\_FAV.pdf**

Uploaded by: Christopher Meyer

Position: FAV

# Wage Standards, Sufficient Medicaid Rates Would Strengthen Long-Term Care in Maryland

## Position Statement in Support of Senate Bill 863

*Given before the Senate Finance Committee*

Maryland's budget is a moral document that has the power to move us toward broadly shared prosperity if invested wisely, and just as much power to move us in the wrong direction if not. Investing Marylanders' shared resources in decent jobs that pay a family-supporting wage is vital to support a healthy, equitable economy. Senate Bill 863 would advance these goals while strengthening our long-term care workforce. For these reasons, the Maryland Center on Economic Policy supports Senate Bill 863.

Long-term care workers provide essential services to aging Marylanders and Marylanders with disabilities, but the state struggles to meet the need for these workers.<sup>i</sup> Demographic change is expected to worsen this shortfall in coming years and decades. Paltry wages and dangerous working conditions are an important contributor to this worker shortage, and disproportionately harm women of color, who constitute the bulk of this workforce:<sup>ii</sup>

- 88% of home care workers in Maryland are women.
- 61% of home care workers in Maryland are Black, and 72% are workers of color.
- 40% of home care workers in Maryland were born outside the United States.
- Home health and personal care aides in Maryland typically took home only \$13.51 per hour in 2020.<sup>iii</sup>

Senate Bill 863 would strengthen Maryland's long-term care workforce by requiring home care provider agencies to pay personal care aides at least \$16 per hour beginning in July 2023. At the same time, the bill would require the state to increase Medicaid reimbursement rates for this care by 15%, ensuring that agencies can afford to pay decent wages.

Strengthening protections to ensure workers paid livable wages would directly benefit workers and would also reduce barriers to maintaining a sufficient home care workforce to provide essential supports to aging Marylanders and Marylanders with disabilities.

**For these reasons, the Maryland Center on Economic Policy respectfully requests that the Senate Finance Committee make a favorable report on Senate Bill 863.**

## Equity Impact Analysis: Senate Bill 863

### *Bill summary*

Senate Bill 863 would require home care provider agencies to pay personal care aides at least \$16 per hour beginning in July 2023. The bill would also require the state to increase Medicaid reimbursement rates for this care by 15% beginning in July 2023.

### *Background*

Long-term care workers provide essential services to aging Marylanders and Marylanders with disabilities, but the state struggles to meet the need for these workers.<sup>iv</sup> Demographic change is expected to worsen this shortfall in coming years and decades. Research links this shortage in large part to low wages and dangerous working conditions.<sup>v</sup>

### *Equity Implications*

Senate Bill 863 would strengthen protections for home care workers who face dangerous working conditions, often take home low wages, and are disproportionately women of color.<sup>vi</sup> It would also benefit Marylanders with disabilities by increasing the long-term supply of workers available to provide necessary supports.

- 88% of home care workers in Maryland are women.
- 61% of home care workers in Maryland are Black, and 72% are workers of color.
- 40% of home care workers in Maryland were born outside the United States.
- Home health and personal care aides in Maryland typically took home only \$13.51 per hour in 2020.<sup>vii</sup>

### *Impact*

Senate Bill 863 would likely **improve racial, gender, disability, and economic equity** in Maryland.

---

<sup>i</sup> Elizabeth Shwe, “Home Care for Older Adults Increased During COVID, but Direct Care Workers Remain Hard to Find,” *Maryland Matters*, October 7, 2021, <https://www.marylandmatters.org/2021/10/07/home-care-for-older-adults-increased-during-covid-but-direct-care-workers-remain-hard-to-find/>

<sup>ii</sup> “The Direct Services Workforce in Long-Term Services and Supports in Maryland and the District of Columbia,” PHI, 2018, <https://phinational.org/wp-content/uploads/2018/09/DSWorkers-Maryland-2018-PHI.pdf>

<sup>iii</sup> Bureau of Labor Statistics, May 2020 Occupational Employment and Wage Statistics for .Maryland

<sup>iv</sup> Elizabeth Shwe, “Home Care for Older Adults Increased During COVID, but Direct Care Workers Remain Hard to Find,” *Maryland Matters*, October 7, 2021, <https://www.marylandmatters.org/2021/10/07/home-care-for-older-adults-increased-during-covid-but-direct-care-workers-remain-hard-to-find/>

<sup>v</sup> “The Direct Services Workforce in Long-Term Services and Supports in Maryland and the District of Columbia,” PHI, 2018, <https://phinational.org/wp-content/uploads/2018/09/DSWorkers-Maryland-2018-PHI.pdf>

<sup>vi</sup> “The Direct Services Workforce,” 2018

<sup>vii</sup> Bureau of Labor Statistics, May 2020 Occupational Employment and Wage Statistics for .Maryland

**Testimony SB863 PCA Wages CBalog1199SEIU FINAL.pdf**

Uploaded by: Claudia Balog

Position: FAV



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,<sup>1</sup> Colorado<sup>2</sup> and Wisconsin<sup>3</sup> 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.<sup>4</sup> 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.<sup>5</sup> Wisconsin has been investing a total of \$247.4 million over the last 2 years in workforce funds for providers.<sup>6</sup> Michigan is developing a concrete plan<sup>7</sup> to raise the wages of direct care workers. ARPA funds will be used to launch higher wage rates for home care workers,<sup>8</sup> and Governor Whitmer has already publicly expressed interest in making this wage increase permanent.<sup>9</sup>

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

---

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

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

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

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

<sup>5</sup> 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](#)

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

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

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

<sup>9</sup> [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.<sup>10</sup> 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](mailto:claudia.balog@1199.org).

---

<sup>10</sup> 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/>.

# **Testimony SB 863 .pdf**

Uploaded by: Cory McCray

Position: FAV

CORY V. McCRAY  
Legislative District 45  
Baltimore City

DEPUTY MAJORITY WHIP

Budget and Taxation Committee

*Subcommittees*

Vice Chair, Capital Budget

Pensions

Chair, Public Safety, Transportation,  
and Environment



James Senate Office Building  
11 Bladen Street, Room 221  
Annapolis, Maryland 21401  
410-841-3165 · 301-858-3165  
800-492-7122 Ext. 3165  
Cory.Mccray@senate.state.md.us

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

45<sup>th</sup> district

**PJC testimony - SB863 - fav.pdf**

Uploaded by: David Rodwin

Position: FAV

**SB 863 - Maryland Medicaid - Personal Care Aides - Reimbursement and Required Wage**  
*Senate Finance Committee, March 8, 2022*

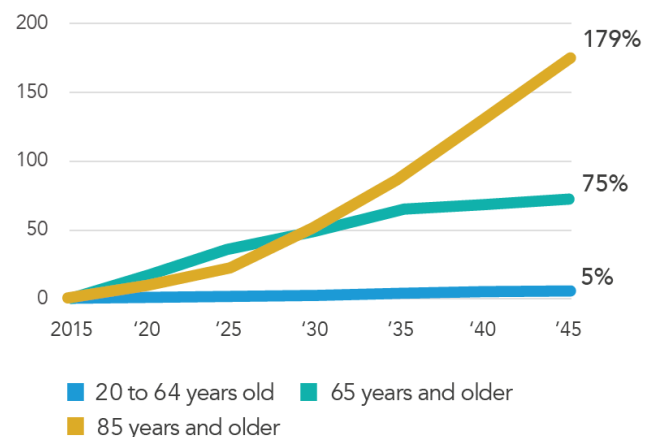
**Position: SUPPORT**

The Public Justice Center (PJC) is a not-for-profit civil rights and anti-poverty legal services organization that seeks to advance social justice, economic and racial equity, and fundamental human rights in Maryland. Our Workplace Justice Project aims to ensure that our state’s low-wage workers receive fair and full payment for their labor, as well as other basic protections on the job. **The PJC supports SB 863 and urges a favorable report because the bill will (1) help Maryland’s older adults and people with disabilities by addressing the dire shortage of personal care aides, (2) protect the interests of Maryland’s home care agencies, and (3) address the gender pay gap and racial inequity caused by current Maryland policy, under which personal care aides – 90% women and 70% Black – are paid poverty wages with state money.**

**The problem:** Maryland faces an increasingly dire shortage of personal care aides (a.k.a. home care workers), which hurts older adults and people with disabilities – and Maryland’s Medicaid policies are the reason.

- The past year saw a series of investigations into the home care workforce shortage in Maryland and beyond.<sup>1</sup> Demand is increasing as Maryland becomes an older state and more people with disabilities receive care in their homes rather than nursing homes. A 2018 [study](#) found that Maryland will need *40 percent more care workers* over the next ten years.<sup>2</sup>
- But the supply of home care workers is not increasing. Residential Service Agencies (RSAs, the Health Code’s term for home care agencies) report sky-high turnover. Workers are leaving for jobs at places like Wal-Mart or Royal Farms because of low wages and lack of benefits.
- The biggest reason for this is state Medicaid policies. Medicaid funds about 60% of the state’s home care. The Maryland Department of Health currently provides RSAs just \$20.54 per hour of home care. There is no requirement

**Figure 2:** Projected Population Growth by Age in MD, 2015-2045



<sup>1</sup> Elizabeth Shwe, Maryland Matters, *Home Care for Older Adults Increased During Covid, but Direct Care Workers Remain Hard to Find*, Oct. 7, 2021, available at <https://www.marylandmatters.org/2021/10/07/home-care-for-older-adults-increased-during-covid-but-direct-care-workers-remain-hard-to-find/>.

<sup>2</sup> 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/>.

that workers be paid anything other than minimum wage. The median wage for all the state's home health and personal care aides is just \$13.51 – but it is likely *even less* for Medicaid-funded workers. There is also no requirement that Medicaid's reimbursement rate cover the business costs of providing these services.

- Marylanders are already having extreme difficulty finding and keeping home care workers. If action is not taken soon, the shortage – and its consequences for those who rely on home care – will only worsen.

**SB863's solution: Higher Medicaid reimbursement rates and higher wages.**

- SB863 has two main parts. First, it increases the Medicaid reimbursement rate by 15%, a little over \$3 per hour. Second, it provides that starting July 1, 2023, personal care aides whose work is funded by Medicaid must be paid at least \$16 per hour. The policy benefits both businesses and workers.
- “Wage pass-through” policies like this have been implemented in states across the country. SB863 is similar to a Maine law passed last year, which increased reimbursement rates while requiring that Medicaid-funded workers be paid at least 25% more than minimum wage – which equates to \$15.94 per hour.

**Fair pay for personal care aides: a *race equity* issue and a *gender equity* issue.**

- Historically, care work was often not considered “work” because it was performed by women, especially women of color. Personal care aides in Maryland are mostly Black women: about 90% are women and about 70% are Black.<sup>3</sup>
- On average, women in Maryland make just \$0.86 for every dollar paid to men, and Black women in Maryland make just \$0.69 for every dollar paid to white men.<sup>4</sup>
- We often talk abstractly about issues like the gender pay gap and racial equity. But the drivers are things just like this – a state policy that underfunds a workforce that is 90% women and 70% Black. Current reimbursement rates – and the lack of any wage minimum other than the state minimum wage – traps these workers in poverty, drives the gender pay gap, and hurts racial equity. Higher reimbursement rates, combined with a higher wage minimum, will help move Maryland close the gender pay gap and advance racial equity.

**The fiscal note overstates the actual cost of the bill.**

- First, home care is cheaper than nursing care, but the fiscal note does not address this fact. The more Medicaid recipients leave nursing homes and receive care at home instead, the less it will cost Maryland. SB863 will allow for more Marylanders to receive care at home.
- Second, the fiscal note does not address the fact that Congress is currently considering a bill that would send \$150 billion to states for Medicaid-funded home care. If this federal bill passes, the federal government will pay the vast majority of the cost of implementing SB863.

For these reasons, the Public Justice Center **SUPPORTS SB 863** and requests a **FAVORABLE** report.

---

<sup>3</sup> See *id.* at 3, 10.

<sup>4</sup> National Women's Law Center – Maryland Data, available at <https://nwlc.org/state/maryland/>.



**SB863\_FAV\_AlzheimersAssociationMD.pdf**

Uploaded by: Eric Colchamiro

Position: FAV

Testimony of the Alzheimer's Association Greater Maryland and National Capital Area Chapters  
**SB 863: Maryland Medical Assistance Program - Personal Care Aides - Reimbursement and Required Wage**  
Position: Favorable

Chair Kelley and Vice-Chair Feldman,

My name is Eric Colchamiro, and I am Director of Government Affairs for the Alzheimer's Association in Maryland. Thank you for the opportunity to be before you here today on Senate Bill 863, which requires the Maryland Medical Assistance Program to increase the reimbursement rate for home care aides by 15 percent on or before July 1, 2023 and requires a provider agency to pay to certain personal care aides a wage rate of at least \$16 per hour on or before July 1, 2023.

The Maryland National Capital Home Care Association (or MNCHA) has been a longtime ally of Marylanders with Alzheimer's and other dementias. MNCHA serves on the Virginia I. Jones Alzheimer's Disease and Related Disorders Council. We were grateful that this Committee passed Chapter 488 of 2021, with MNCHA's support, which requires annual and continuing education on dementia for all home care providers who work with individuals who have this cruel disease and their caregivers. And I want to acknowledge Dawn Seek, who recently stepped down as Executive Director of MNCHA, for her many years as an active participant in policy conversations about how we can elevate the quality of resident care.

The bill under consideration today is a rate increase. It is a 15 percent rate increase for these invaluable providers, who organize staff to go into our homes and help seniors age in place. Amidst the pandemic, where nursing homes and to a lesser extent the assisted living industry received millions in state and federal government aid, these long-term care providers also deserve added support. Amidst the many thousands on Maryland's HCBS waiting list, these providers keep our loved ones in our communities, avoiding more costly institutional care.

This is also a bill that helps our direct care workforce. And my goodness, that is important.

- They aid individuals with dementia -- 95 percent of whom have at least one other chronic condition and whose care is complicated;
- There is a shortage of them overall, as our population ages -- by 2030, 3.4 million more direct care workers will be needed, a 48 percent increase from 2015;
- And yet the median wage for all the state's home health and personal care aides is just \$13.51 – and it is likely even less for Medicaid-funded workers.

I will close with this. The fiscal note outlines a high cost. We may even hear from industry that they want the cost to be higher, in order to pay their workers \$16 per hour; this would be on top of the annual four percent rate adjustment they are receiving through 2026, and on top of the additional one-time 5.2 percent rate increase home care providers are receiving from the American Rescue Plan Act.

Yet what about this workforce? The workforce – 90 percent of whom are women, and 70 percent of whom are Black, and many of whom do not have a college education. This is the workforce that cares for our seniors with Alzheimer's, including when they begin to lose the ability to speak. This is the workforce who has not been talked about enough, during the pandemic, when we discuss health care heroes. We need to value them; not just by acknowledging the workforce shortage, or talking about staffing costs, but by realizing that we do right by them—and our loved ones they care for—by paying them a living wage.

## **03.07.2022 New America Letter in Support of Maryla**

Uploaded by: Lul Tesfai

Position: FAV

March 7, 2022

Dear Senator McCray and Members of the Senate Finance Committee,

Thank you for the opportunity to comment on Maryland Senate Bill 863 (*Maryland Medical Assistance Program – Personal Care Aides – Reimbursement and Required Wage*), which would increase the Medicaid reimbursement rate to provider agencies of long-term services and supports by 15 percent and require that personal care aides whose work is funded by Medicaid be paid at least \$16 per hour starting July 1, 2023.

The Center on Education and Labor at New America (CELNA) is a research and policy development program focused on the policy domains of education, labor, and workforce development. CELNA is dedicated to restoring the link between education and economic mobility by advancing policies that strengthen the key social institutions necessary to connect them. Since 2018, the Center has been researching and recommending policy strategies to support the economic advancement of health care professionals, particularly through apprenticeships. CELNA, in collaboration with other programs at New America, has also conducted research on effective strategies for securing improved benefits, as well as training and career advancement opportunities for home care workers.

We support Maryland Senate Bill 863 because it will directly improve the compensation of essential personal care and home care workers.

Given Maryland's rapidly aging population, home health and personal care aides are among the fastest-growing occupations, with the number of jobs projected to grow by 41.5 percent by 2028.<sup>1</sup> Despite the critical role of and high demand for care workers, their pay is low—likely contributing to the high rates of worker turnover. According to the Maryland Department of Labor, the estimated median hourly wage for home health and personal care aides is \$13.51.<sup>2</sup> Many workers struggle to make a living at this level of compensation. According to the Massachusetts Institute of Technology, which calculates state-specific living wage models to serve as alternative, more accurate measures of basic needs compared to the federal poverty threshold, the living wage for a single working adult in Maryland is \$17.25/hour. A sole earner in a two-adult household must make \$26.66/hour, whereas each working adult in a two-adult household must earn \$13.33/hour to get by. With dependent children, the required hourly living wage increases. A single parent must earn \$34.74/hour to care for a single child and \$43.05/hour for two children. A two-parent household, in which both adults

---

<sup>1</sup> <https://www.dlir.state.md.us/lmi/iandoproj/maryland.shtml>

<sup>2</sup> <https://www.dlir.state.md.us/lmi/wages/page0023.htm>



are working and sharing the financial load, requires a \$18.75 hourly wage per person to support a family of three and \$23.40/hour for a family of four.<sup>3</sup>

Without policy intervention, economic conditions for these workers will continue to reinforce gender, racial, and ethnic inequities considering the vast majority of care workers in Maryland are women (88 percent) and people of color (88 percent), with immigrants (32 percent) representing a sizable share of the workforce.<sup>4</sup>

Medicaid is the primary source of long-term care funding for the elderly and individuals with disabilities and, as such, sets the industry standard for care worker wages based on reimbursement rates. The reimbursement rate for long-term care services is used to cover a variety of provider expenses like agency overhead, administrative costs, and direct and indirect worker wages and benefits. Inadequate Medicaid reimbursement rates for long-term services and supports make it harder for providers to offer care workers competitive wages, however, specific requirements around the percentage of Medicaid reimbursement rates for wages are critical for ensuring that workers benefit from public investments in care.

Last year Maryland implemented two separate Medicaid reimbursement rates increases. In January 2021, the state increased provider rates for behavioral health and long term care and in response to the American Rescue Plan (ARP) Act—which authorized a one-year, 10 percent increase in the federal share of Medicaid payments (federal medical assistance percentage or FMAP) for home and community based services (HCBS)—Maryland elected to increase provider rates for HCBS.<sup>5</sup> However, there were no requirements that care workers receive a portion of these rate increases. Implementing a wage pass-through, as outlined in Senate Bill 863, will guarantee that increased public investments in residential and community-based care will make their way to the workers who provided skilled and essential services to the elderly and individuals with disabilities.

More than half of states have at some point implemented a Medicaid wage pass-through, requiring that a certain amount of Medicaid resources flow directly to care workers. A 2010 study on the effect of Medicaid wage pass-through policies on the wages of direct care workers found that workers in states that

---

<sup>3</sup> <https://livingwage.mit.edu/states/24>

<sup>4</sup> <https://phinational.org/wp-content/uploads/2018/09/DSWorkers-Maryland-2018-PHI.pdf>

<sup>5</sup>

<https://health.maryland.gov/mmcp/Documents/MEDICAID%20PROVIDER%20RATE%20CHANGES%20FROM%20JANUARY%202021%202021.pdf>;  
<https://health.maryland.gov/newsroom/Pages/Maryland-Department-of-Health-announces-new-Medicaid-rate-increases.aspx>



implemented pass-through provisions earned as much as 12 percent more per hour than workers in other states.<sup>6</sup>

If passed, Maryland Senate Bill 863 will improve the compensation of personal care and home care workers and potentially reduce turnover and staffing shortages. Thank you once again for the opportunity to submit comments in favor of Maryland Senate Bill 863.

---

<sup>6</sup> Baughman, R., and Smith, K. (2010). The Effect of Medicaid Wage Pass-Through Programs on the Wages of Direct Care Workers. *Medical Care*, Vol. 48, No. 5: 426-432.



# **SB0863\_FWA\_MNCHA\_Personal Care Aides - Reimburseme**

Uploaded by: Danna Kauffman

Position: FWA



## Maryland-National Capital Homecare Association

Senate Bill 863: *Maryland Medical Assistance Program – Personal Care Aides – Reimbursement and Required Wage*

Senate Finance Committee

March 8, 2022

### Position: Support With Amendment

On behalf of the Maryland-National Capital Homecare Association (MNCHA), whose members include Medicare-certified home health agencies, private duty companies and durable medical equipment suppliers across the State, we **support with amendments** Senate Bill 863. Senate Bill 863 requires the Maryland Medical Assistance Program (Medicaid) to increase the reimbursement rate for Program long-term services and supports by 15% and then requires a residential service agency to increase the minimum wage to \$16/hour for personal care aides. Senate Bill 863 also requires residential service agencies to provide notice of the wage increase to personal care aides and to file an annual cost report with the Maryland Department of Health.

MNCHA supports the intent of Senate Bill 863. However, the 15% increase mandated in the bill fails to account for certain costs, such as costs associated with payroll tax, unemployment insurance and worker's compensation and is therefore inadequate to cover the wage increase to \$16/hour. We estimate that the current average hourly wage rate in Maryland is \$13.25. **Therefore, based on these costs, Medicaid would need to increase the percentage to 20.8% rather than 15%.**

However, it is important to note that, while this may increase the wages only for personal care aides, it still does not address the continued shortfall in Medicaid funding. As you will recall, in 2018 the Hilltop Institute released a report calculating the cost differential between Medicaid rates and the cost to provide services. The recommended Hilltop rate paid to Medicaid home care providers to cover the cost of services should have been \$24.80 in 2018. Adjusted for inflation, this number should be \$27.93. Four years later, the current rate of only \$20.54 still falls short of both the inflated rate and the 2018 estimates. Finally, the current reimbursement amount still fails to account for mandated nurse supervision visits, which remains unreimbursed.

Therefore, if the Committee advances this legislation, at a minimum, the percentage must be increased by at least 20.8%. In addition, language must be added that this increase supplement and not supplant current reimbursement rates. It is essential that this increase is in addition to the current mandated 4% increase to offset already scheduled minimum wage increases. MNCHA does not want the 4% to be folded into any additional rate increase.

Regarding the notice and cost provisions, MNCHA would request that Subsection (C) be amended as set forth below and that Subsections (D) and (E) be removed in their entirety.



Subsection (C) - Page 2, lines 15-17:

(3) THE DEPARTMENT SHALL DEVELOP A PROCESSES: ~~FOR A PERSONAL CARE AIDE TO~~

(I) FOR A PERSONAL CARE AIDE TO REPORT A PROVIDER AGENCY'S FAILURE TO COMPLY WITH THE WAGE RATE REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION;

(II) TO DETERMINE COMPLIANCE BY A PROVIDER AGENCY AND ENFORCEMENT BY THE DEPARTMENT FOR NON-COMPLIANCE.

**For More Information:**

Caitlin Houck  
Executive Director  
Maryland-National Capital Homecare Association  
Cell: 240-383-0420

Danna Kauffman  
Schwartz, Metz and Wise, P.A.  
dkauffman@smwpa.com  
Cell: 410-294-7759

**9 - SB 863 - FIN - MDH - LOI.docx.pdf**

Uploaded by: Heather Shek

Position: INFO



## 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](mailto:heather.shek@maryland.gov) or (443) 695-4218.

Sincerely,

Dennis R. Schrader  
Secretary