

SHANEKA HENSON  
Legislative District 30A  
Anne Arundel County

Appropriations Committee



The Maryland House of Delegates  
6 Bladen Street, Room 152  
Annapolis, Maryland 21401  
410-841-3045 · 301-858-3045  
800-492-7122 Ext. 3045  
Shaneka.Henson@house.state.md.us

THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

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Chair Shane Pendergrass  
Vice Chair Joseline Pena-Melnyk  
Room 241  
House Office Building  
Annapolis, Maryland 21401

Members of the Health and Government Operations Committee,

As members of this committee, you already know very well the challenges facing home care in Maryland. 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. And that the constant and increasing turnover of home care workers can be deeply traumatic because the care is so intimate and can involve help with things like bathing and using the bathroom. The result is that older people, and people of all ages living with disabilities, are not getting the support they need.

You also know the industry perspective. Home care agencies say that Medicaid reimbursement rates are too low. The low reimbursement rates don't allow them to pay enough to attract and retain workers while also making a profit. Many agencies want to hire more workers and have potential clients – people who need home care – calling them every day asking for home care workers, but they cannot find people to work for the wages that Maryland's reimbursement rates allow.

And you know about the home care workers' perspective. Workers – 90% of whom are women, and about 70% of whom are Black – say that pay is too low, and federal data shows that average pay is just \$13.50 an hour. Underpaid, discouraged, and exhausted workers are leaving this workforce for higher paying, less stressful jobs. And the problem is only getting worse with inflation decreasing the real value of workers' paychecks.

These circumstances have combined to create a real crisis for home care in Maryland. 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 reimbursement rates. With very high turnover, these providers are finding it increasingly difficult to hire replacement workers. Unless we increase rates to allow providers to pay closer to a competitive wage for workers, people will go without the supports they need.

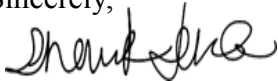
HB 981 is a critical step in rebuilding Maryland's crumbling home care workforce. First, it will help providers compete for workers in this tight labor market. The bill does this by increasing Medicaid reimbursement rates for home care services by 15%, which is just over \$3 per hour, as the current reimbursement rate is \$20.54 per hour. Second, the bill values Maryland's home care workers for the role they play in the health of our economy and the health of our neighbors by improving pay for all workers at once. It does this by requiring that for Medicaid-funded home care, workers must be paid at least \$16 an hour, once the provider rate increase has taken effect.

This additional funding will create thousands of good paying jobs, narrow gender and racial pay gaps, and expand overall household income in Maryland. It will help provider agencies recruit and retain more workers, earning more money for them, too. And it will provide the larger, more stable workforce that Maryland's older adults and people with disabilities of all ages depend on.

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. At the federal level, Congress is discussing a reconciliation bill that would send \$150 billion to states just for this home care workforce – money that, if HB 981 passes, could fund this bill by the time HB 981 takes effect. The time is right for a solution that serves the needs of all stakeholders.

I ask for a favorable report on HB 981.

Sincerely,



Delegate Shaneka Henson