



Testimony on HB 549

Fair Wage Act of 2023

House Economic Matters Committee

February 27, 2023

POSITION: SUPPORT WITH AMENDMENTS

The Community Behavioral Health Association of Maryland (CBH) is the leading voice for community-based providers serving the mental health and addiction needs of vulnerable Marylanders. Our 110 members serve the majority of those accessing care through the public behavioral health system. CBH members provide outpatient and residential treatment for mental health and addiction-related disorders, day programs, case management, Assertive Community Treatment (ACT), employment supports, and crisis intervention.

We thank Governor Moore for accelerating in his budget the last two years of mandated rate increases- as included in the Fight for Fifteen legislation passed in 2019 - for behavioral health providers so that we can in turn meet the accelerated timeline for implementation of the \$15 minimum wage as of Oct. 1 of this year. Our workforce challenges predated the pandemic but have gotten progressively worse over the past two years. Given the demanding nature of the work we do, we must pay significantly more than minimum wage if we are to compete in the marketplace for a qualified workforce.

HB 549 indexes the minimum wage to the lesser of the Consumer Price Index or 5%. However, providers in the public behavioral health system have no guarantees that their rates will also be indexed accordingly in future years. We serve primarily Medicaid recipients, so our costs cannot be passed on to our clients. Unlike providers in other areas of health and human services, behavioral health providers went for decades without basic inflationary increases. We were uncomfortably close to the financial cliff, so mandated rate increases for community behavioral health providers were included in the Fight for Fifteen minimum wage bill. Despite those increases, our providers continue to feel the effects of decades of neglect and face ongoing high staff turnover and vacancy rates.

It is critical that we not repeat the mistakes of the past by ignoring the ongoing impact of inflation on provider rates and viability. **We therefore ask that HB 549 be amended to include rate indexing for community behavioral health providers commensurate with that applied to the \$15 minimum wage in HB 549.**

We urge a favorable report on HB 549 with this proposed amendment.

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