



## COMMISSION ON AGING

February 28, 2023

Senator Melony Griffith, Chair, Finance Committee  
Senator Katherine Klausmeier, Vice Chair, Finance Committee  
Senator Joanne C. Benson, Chair, Rules Committee  
Senator Clarence K. Lam, Finance Committee

RE: SB 604 SUPPORT

Dear Senators Griffith, Klausmeier, Benson, and Lam:

I am writing on behalf of the Montgomery County Commission on Aging in support of SB604. The Commission is authorized by the Older Americans Act, P.L. 116 131, and was established by Montgomery County in 1974 to advise County government on the needs, interests and issues of older adult residents, and to advocate on their behalf at the local, state and national levels.

SB604 would require the Maryland Department of Health to increase the hourly reimbursement rate for certain personal assistance services under the Maryland Medical Assistance program to a minimum of \$25 per hour; and require provider agencies to pay the greater of \$16 per hour or 64 percent of the reimbursement rate to personal care aides and to provide a written notice regarding the wage to personal care aides; and require provider agencies to submit annual cost reports to the Department.

Montgomery County is home to a diverse and engaged older adult population. Its residents who are 60 years of age and older now make up 21 percent of the County's total population with a projected growth to 35 percent by 2040. Montgomery County, like other jurisdictions across the country, has experienced a workforce crisis caused by an insufficient number of service workers to provide support to older adults. The low wages and lack of professionalism associated with careers in home care are exacerbating an already difficult situation, made even worse by the Covid-19 pandemic. In the context of this workforce crisis, the Montgomery County Commission on Aging sees the changes envisioned by SB604 as a critical first step in transforming Maryland's long-term services and supports system and reducing the shortage of in-home care workers.

The most recent data show that the average home care worker in Maryland earns approximately \$13.51/hour wage. According to a PHI study: "Median annual earnings for professional caregivers are \$20,300, due to a combination of high rates of part-time employment and low wages." (PHI, September 2020, p.6). Direct care workers often must work with multiple agencies to obtain enough hours to make a living. The typical wage paid to a direct care worker cannot support a family, hence it is not a living wage and few workers can

**Department of Health and Human Services**

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exist on these salaries without additional support from government benefits. The same PHI study demonstrates the financial insecurity experienced by many direct care workers: "Forty-five percent of caregiver households live below 200 percent of the federal poverty level and 47 percent rely on some form of public assistance to make ends meet. One-third of these caregivers (36 percent) lacks affordable housing." (PHI, September 2020, p.6)

Direct care work is a very difficult job that requires an individual to juggle multiple job-related care need responsibilities, including addressing the language and cultural preferences of those being cared for. Most of these workers are immigrants, woman, and not unionized and so they have little leverage to insist on higher wages and improved working conditions. A recent study by Leading Age confirms this profile of the direct care workforce nationally, which is "composed primarily of women and people of color, including caregivers who are: Black (31 percent); Hispanic/Latino (18 percent); Asian or Pacific-Islander (7 percent)." The characteristics of the direct care workforce in Montgomery County closely mirror those nationally.

Direct care jobs are perceived as "low wage" and "low skill." These perceptions underscore the degree to which this workforce is undervalued by the public, policymakers, providers, and consumers and their families (Spetz et al., 2019). The underappreciation of professional caregivers translates into low pay, few benefits, and a marginalized status for caregivers. These limitations are even more problematic in Montgomery County where the cost of living is higher than in other areas of the country.

Given these conditions, inevitable staffing shortages and workforce instability result in lower-quality care, lower-quality of life for consumers and their families, and unmet needs among care recipients. To address these issues, we must recognize that this is essential and valuable work that should command respect for the work performed and be adequately compensated. The Commission on Aging urges your support of SB604 as an important step in improving the compensation and professionalism of these critical workers. We believe that this legislation begins to address this complex problem today, which if left unchecked, will perpetuate the significant and unsustainable staffing shortages we have described.

Sincerely,

*David Engel*

David Engel, Chair

**Department of Health and Human Services**

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