

## Senate Finance Committee

### House Bill 489: Residential Service Agencies - Reimbursement - Personal Assistance Services

March 29, 2023

**\*\*\*SUPPORT\*\*\***

The Maryland Chapter of the National Association of Social Workers supports House Bill 489 Residential Service Agencies - Reimbursement - Personal Assistance Services. 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. This bill will ensure that personal care aides who work under certain Medicaid programs are properly classified as employees and not misclassified as independent contractors. It will authorize the Maryland Department of Health to reimburse a residential service agency for personal assistance services only if the personal assistance services are provided by an individual classified as an employee, guaranteeing fair and equitable wages and benefits, such as worker compensation and lower tax rates for these invaluable workers who administer care for some of our most vulnerable citizens.

Most personal care aides are employed less than full time, have hours that change frequently, and do not receive health benefits, worker's compensation, or paid leave due to their classification as independent contractors. Under Maryland's Medicaid program, between 15,000 and 20,000 personal care aides provide care under programs operated by the Office of Long-Term Services and Supports. By classifying personal care aides as independent contractors, it worsens job quality by removing the social safety net (making it harder for them to get benefits like workers' compensation when they're injured) and imposing on them a higher "self-employment" tax burden when they should be getting a tax refund. It hurts consumers by shrinking the size of the workforce they depend on for their independence and increasing worker turnover, which – given the intimate nature of the work – can be traumatizing to care recipients. Classifying personal care aides as independent contractors hurts law-abiding RSAs that face unfair competition from RSAs that save money by shirking their obligations as workers' employers.

Currently, older Marylanders and those with disabilities rely on personal care aides to administer bedside and personal care, to perform housekeeping duties, and to transport them to physicians' offices or other locations. Assistance with these tasks allows care recipients to remain in their homes rather than having to enter institutional care. Most of these individuals would prefer to remain in their local community, where they can maintain vital social

connections with family, friends, and neighbors. Furthermore, living in the community is less costly for the state of Maryland.

Requiring the classification of personal care aides as employees would make these jobs more appealing, grant equity in pay and benefits, and increase safety for both personal care aides and older adults. This requirement would lead to a more secure workforce and more consistent care for community-dwelling older Marylanders and those with disabilities.

We ask that you give a favorable report on House Bill 489.

Respectfully,

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Executive Director, NASW-MD