

# **NDWA Comments SB604 Maryland.pdf**

Uploaded by: Alana Eichner

Position: FAV

# NATIONAL DOMESTIC WORKERS ALLIANCE

## Comments in Support of SB604

### Maryland Medical Assistance Program - Provider Agencies and Personal Care Aides - Reimbursement and Wages

March 7, 2023

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

The National Domestic Workers Alliance (“NDWA”) submits this testimony in support of SB604: Maryland Medical Assistance Program - Provider Agencies and Personal Care Aides - Reimbursement and Wages.

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

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<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 with a wage of at least \$16/hr who support consumers in publicly funded Medicaid programs, SB604 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 SB604 to increase the Medicaid reimbursement rate and guarantee that personal care aides whose work is funded by Medicaid be paid at least \$16 per hour, and receive wages equal to at least 64% of the reimbursement rate moving forward.

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<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 these workers who perform this essential care livable wages. 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 SB604. 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  
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# **SB 604 - Maryland Legal Aid Testimony - Favorable.**

Uploaded by: Alle Andresen

Position: FAV



**Senate Bill 604**

**Maryland Medical Assistance Program – Provider Agencies and Personal Care Aides – Reimbursement and Wages**

In the Senate Budget and Taxation Committee

Hearing on March 7, 2023

**Position: FAVORABLE**

*Maryland Legal Aid submits its written and oral testimony on SB 604 at the request of bill sponsor Senator Benson.*

Maryland Legal Aid asks that the Committee report **favorably** on SB 604, which would recognize the important work of personal care aides for our ailing neighbors and family members with a well-deserved increase in their wages.

SB 604 establishes a minimum wage for personal care aides providing personal assistance services (PAS) under the Maryland Medical Assistance Program. The current rate is either \$16 per hour or 64% of the hourly reimbursement rate, whichever is higher. Under SB 604, the hourly reimbursement rate for PAS increases to \$25 per hour. The increase applies to all personal care aides providing care to individuals under Medicaid Home and Community-Based Service (HCBS) Programs, including Community First Choice (CFC), Home and Community-Based Options Waiver (HCBOW), and Community Personal Assistance Services (CPAS).<sup>1</sup>

This bill will provide personal care aides a much-needed and much-deserved increase in wages, while allowing current and future Medical Assistance Program participants access to quality, reliable care in the community. This bill promotes the dignity of those providing PAS care under the above-listed Medical Assistance Programs and those receiving it.

Maryland Legal Aid (MLA) is a non-profit law firm that provides free legal services to the State's low-income and vulnerable residents. Our twelve offices serve residents in each of Maryland's 24 jurisdictions and handle a range of civil legal matters, including nursing home/assisted living facility cases, and access to health care, including long-term care. Many of our clients rely on PCAs and deserve those who are well-compensated, and therefore motivated to provide top notch care.

***Benefit to Maryland Personal Care Aides***

Personal care aides have a hard, often thankless job. Their work is physically demanding and mentally draining. They assist older adults and people with disabilities with the activities of daily living, such as bathing, toileting, grooming, eating, and ambulating. The aides allow older adults and people with disabilities the ability to “age in place” and receive the long-term care supports at home. The services provided by the personal care aides permit

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<sup>1</sup> This increase does not apply to personal care services provided through the Developmental Disabilities Administration.

the disabled individuals to avoid moving into nursing homes.<sup>2</sup> Unfortunately, even though personal care aides provide an invaluable service to thousands of Marylanders, they are paid very low wages.<sup>3</sup>

The low wages are one of the major driving forces behind worker dissatisfaction and the high turnover rate in the HCBS industry. Moreover, because of the low wages, many full-time personal care aides live in poverty<sup>4</sup> and even rely on public assistance, such as (SNAP) Supplemental Nutrition Assistance Program benefits.<sup>5</sup> This is completely unacceptable—full-time workers providing a valuable, life-sustaining service should earn enough income to make ends meet. This is why many aides look for work in other industries. In recent years, personal care aides have left the industry to begin working at fast food or retail establishments.<sup>6</sup> The establishment of a minimum wage ensures that personal care aides are paid a livable wage, and that proper value is placed on their contribution and commitment to care. This will in turn, aid in staff retention, attract future new aids, and combat the turnover that has been so detrimental to the HCBS industry, and the older adults and people with disabilities who rely on it. It is estimated that the industry has an annual turnover rate of around 40%.<sup>7</sup> High turnover leads to a lower quality of care for participants.<sup>8</sup>

### ***Benefit to Participants in Medical Assistance HCBS Programs***

While SB 604 directly impacts personal care aides, the disabled persons they help will also benefit. Maryland has taken steps to remedy the shortage of personal care aides since the COVID-19 pandemic began, but it is not

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<sup>2</sup> See generally, HUMAN RIGHTS WATCH, US: CONCERNS OF NEGLECT IN NURSING HOMES, PANDEMIC EXPOSES NEED FOR IMPROVEMENTS IN STAFFING, OVERSIGHT, ACCOUNTABILITY (2021) (available at [https://www.hrw.org/sites/default/files/media\\_2022/02/drd\\_nursinghome0521\\_brochure\\_PRINT\\_0.pdf](https://www.hrw.org/sites/default/files/media_2022/02/drd_nursinghome0521_brochure_PRINT_0.pdf)); Rachel Chason, *Maryland imposes \$70,000 fine on nursing home where nearly all residents contracted covid-19*, WASHINGTON POST (June 26, 2020), [https://www.washingtonpost.com/local/maryland-imposes-70000-fine-on-nursing-home-where-nearly-all-residents-contricted-covid-19/2020/06/26/a0ece6ee-b7cb-11ea-a8da-693df3d7674a\\_story.html](https://www.washingtonpost.com/local/maryland-imposes-70000-fine-on-nursing-home-where-nearly-all-residents-contricted-covid-19/2020/06/26/a0ece6ee-b7cb-11ea-a8da-693df3d7674a_story.html) (reporting on a Mount Airy, MD that reported 28 deaths in a 104-bed facility in the first months of the COVID-19 pandemic).

<sup>3</sup> See CASSANDRA ROBERTSON ET AL., ALL STATES MUST SET HIGHER WAGE BENCHMARKS FOR HOME HEALTH CARE WORKERS 17 (June 2, 2022) (See Appendix Table 2) (available at <https://files.epi.org/uploads/247820.pdf>); See also PHI, THE DIRECT SERVICES WORKFORCE IN LONG-TERM SERVICES AND SUPPORTS IN MARYLAND AND THE DISTRICT OF COLUMBIA 12 (2018) (available at <https://www.phinational.org/wp-content/uploads/2018/09/DSWorkers-Maryland-2018-PHI.pdf>).

<sup>4</sup> See PHI *supra* note 3, at 14.

<sup>5</sup> *Id.*

<sup>6</sup> Christopher Rowland, *Seniors are stuck home alone as health aides flee for high-paying jobs*, Christopher Rowland, WASHINGTON POST (Sept. 25, 2022), <https://www.washingtonpost.com/business/2022/09/25/seniors-home-health-care/>.

<sup>7</sup> MACPAC, STATE EFFORTS TO ADDRESS MEDICAID HOME AND COMMUNITY-BASED SERVICES WORKFORCE Shortages 3 (March 2022) (available at <https://www.macpac.gov/wp-content/uploads/2022/03/MACPAC-brief-on-HCBS-workforce.pdf>).

<sup>8</sup> See ROBERTSON, *supra* note 3 at 5–6.

enough.<sup>9</sup> There is still a workforce shortage. Many individuals who are active participants in HCBS programs must wait for an aide to become available to receive services. This is dangerous as these participants all living with severe physical disabilities or memory-related conditions such as Alzheimer’s. Waiting for services is dangerous—even life threatening—for these participants.

The minimum wage SB 604 seeks to establish will also work to attract more workers to the personal care industry, which is vital to adequately serve our aging population. A 2018 report estimated that Maryland would need 40% more personal care workers from 2014 to 2024 to meet the growing need of individuals who require long-term care services.<sup>10</sup> This need will only increase—by 2040, up to 500,000 older Marylanders will require the assistance provided under HCBS Programs.<sup>11</sup> A minimum wage for personal care aides ensures that Marylanders will be able to access Medical Assistance HCBS programs for years to come, allowing them the ability to “age in place,” avoiding institutionalization.<sup>12</sup>

**Maryland Legal Aid strongly urges the Committee to issue a FAVORABLE report on Senate Bill 604.** If you have any questions, please contact Alle Andresen, (410) 951-7765, [aandresen@mdlab.org](mailto:aandresen@mdlab.org).

Alle Andreson, Esq.  
Long Term Health Care Staff Attorney  
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<sup>9</sup> MOLLY O’MALLEY WATTS, ONGOING IMPACTS OF THE PANDEMIC ON MEDICAID HOME & COMMUNITY-BASED SERVICES (HCBS) PROGRAMS: FINDINGS FROM A 50-STATE SURVEY, KAISER FAMILY FOUNDATION, Table 2 (Nov. 28, 2022) (available at <https://www.kff.org/report-section/ongoing-impacts-of-the-pandemic-on-medicaid-home-community-based-services-hcbs-programs-findings-from-a-50-state-survey-appendix/>). As of 2022, Maryland reported a HCBS workforce shortage and increased provider payment rates to combat the shortage.

<sup>10</sup> See PHI *supra* note 3, at 3.

<sup>11</sup> Tanya Chotrani, *How to address Maryland’s shortage of home health care workers* | READER COMMENTARY, BALTIMORE SUN (May 14, 2022), <https://www.baltimoresun.com/opinion/readers-respond/bs-ed-rr-maryland-health-care-letter-20220514-5ftvspz4svhcredd5evzhy5e3i-story.html>.

<sup>12</sup> See *supra* note 2.



**SB604\_Marylanders for Patient Rights\_fav.pdf**

Uploaded by: Anna Palmisano

Position: FAV

## *Marylanders for Patient Rights*

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### **MARYLANDERS FOR PATIENT RIGHTS REQUESTS A FAVORABLE REPORT ON SB604: Maryland Medical Assistance Program – Provider Agencies and Personal Care Aides – Reimbursement and Wages**

Marylanders for Patient Rights is a leading advocacy group for patients in our state. We strongly support SB604 which will 1) increase the Medicaid reimbursement rate to provider agencies to a \$25 minimum, and 2) require a minimum wage of \$16 for personal care aides, beginning on July 1, 2024. The changes proposed in SB604 are necessary 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 study by Phi National, a recognized authority on direct care workforce, estimated that Maryland will need 40% more home care workers in the next ten years. Finding and keeping home health care workers is becoming increasingly difficult for Marylanders and their families, as caregivers opt for better paying employment and benefits at retail giants and restaurants. Personal care aides are mostly black women whose low wages can trap them in poverty.

It is important to note that SB604 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 number, increasing the Medicaid reimbursement rate, and attracting more employees by offering more competitive salaries.

SB604 is similar to a Maine law passed in 2021, and “wage pass-through” policies like this one are being implemented in states across the country. Maryland should follow their lead. Importantly, SB604 outlines methods for communication and enforcement to ensure that personal care aides receive the wages that are due.

Please provide a favorable report on SB604, and help to ensure retention of our essential workforce of personal care aides.

Thank you,

*A C Palmisano*

Anna C. Palmisano, Ph.D, Director  
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# **A. Sellers DRM Final Testimony in Support SB604.pd**

Uploaded by: Audrey Sellers

Position: FAV



Empowerment. Integration. Equality.

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

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

## **FINANCE COMMITTEE**

### **SENATE BILL 604: MARYLAND MEDICAL ASSISTANCE PROGRAM - PROVIDER AGENCIES AND PERSONAL CARE AIDES - REIMBURSEMENT AND WAGES**

**MARCH 7, 2023**

#### **POSITION: SUPPORT**

Thank you to the Chair and Committee Members, for the opportunity to provide testimony on Senate Bill 604: Maryland Medical Assistance Program - Provider Agencies and Personal Care Aides - Reimbursement and Wages. 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. SB 604 would increase funding for certain Medicaid-funded home care programs while also ensuring that home care workers get a fairer share of that money – improving job quality, recruitment, and retention.

I am an Advocate with Disability Rights Maryland. My friend Brennan receives home and community-based services through the Brain Injury Waiver and Community First Choice. These services are funded through the Maryland Department of Health's Office of Long Term Services and Supports. Brennan is authorized to receive 96 hours of care through these programs, but he has never been able to staff the full 96 hours due to the workforce shortage. While PCAs have been assigned to his case, only one has actually showed up for the job. The other PCAs assigned to his case left shortly after the month-long agency orientation for jobs with better pay and benefits. For Brennan, this means that he has to stay at home almost all the time. He cannot go into the community or work without one on one support. Without the PCA shortage, Brennan would be able to fully integrate into the community, as HCBS intend.

With the End the Waitlist bill passing last session, demand for Medicaid-funded PCAs will skyrocket. Maryland cannot even fulfill its HCBS promises to individuals with disabilities at present since the workforce is inadequate. When waitlists begin to diminish, the workforce crisis will become even more damaging to the individuals with disabilities who rely upon the care hours promised by the HCBS programs in which they are enrolled. This negatively impacts health and community integration for the individuals in these programs.

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.

PCA staffing shortages are placing Marylanders with disabilities in danger of unnecessary institutionalization and significant gaps in care. SB 604 will have the impact of improving Maryland's HCBS system, both for participants and providers, which furthers the goals of and complies with the Olmstead decision and community integration mandate of the Americans with Disabilities Act (ADA).<sup>1</sup> For these reasons, DRM strongly supports Senate Bill 604.

If you have any questions regarding DRM's testimony, please contact me using the information in my signature below. I appreciate the Committee's time and consideration in reviewing my testimony.

Respectfully,

Audrey Sellers

Advocate

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<sup>1</sup> Olmstead v. L.C., 527 U.S. 581 (1999); 42 U.S.C. § 12101.

**SB604 1199SEIU Testimony.pdf**

Uploaded by: Brige Dumais

Position: FAV



## Testimony in Support of SB 604

### Maryland Medical Assistance Program - Provider Agencies and Personal Care Aides - Reimbursement and Wages

Dear Chair Griffith and members of the Finance committee:

My name is Ricarra Jones, and I am the Political Director of 1199SEIU United Healthcare Workers East. We are the largest healthcare workers union in the nation – representing 10,000 healthcare workers in long-term care facilities and hospitals across Maryland. 1199 SEIU supports SB 604 because we believe the state needs to invest in our essential care workers.

**1199 SEIU is at the forefront of navigating a dire shortage of healthcare workers across hospitals and long term care.** We know that the demand for home care is increasing as Maryland's population of those 65 and older will exponentially increase. In order to meet the need adequately, Maryland will need 40 percent more care workers over the next 10 years<sup>1</sup>.

**Investing in Maryland's long term care system means higher Medicaid reimbursement rates for agencies and fair share resulting in higher wages for workers.** Because state Medicaid agencies set reimbursement rates and pay for many of these workers, states have the opportunity and responsibility to improve outcomes for home care workers and the families they serve by ensuring that the home health care workforce is supported by family sustaining wages.

**Fair pay for personal care aides is a race equity and gender equity issue.** PCAs are about 90% women and 70% are Black. Nearly 1 in 10 personal care aides live in poverty in the state. Higher wages means personal care aides are relying less on public assistance, improve quality care, and attract more people to stay in the field.

**1199 SEIU also supports SB 604 because it addresses the lack of adequate data and transparency about Maryland's home care workers.** Requiring annual cost reports from publicly funded home care agencies will ensure compliance and provide MDH vital information on how public dollars are being spent to meet the needs of Maryland's aging population.

Because care can't wait and for the reasons above, we request a **favorable** report on SB 604.

In Unity,

Ricarra Jones, Political Director

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# **Testimony Maryland Medical Assistance Program-Prov**

Uploaded by: Chloe Williams

Position: FAV



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Budget and Taxation Committee  
Education, Business and  
Administration Subcommittee

Pensions Subcommittee  
Chair, Rules Committee

*Joint Committees*

Audit and Evaluation Committee

Children, Youth, and Families

Ending Homelessness

Fair Practices and  
State Personnel Oversight

Joint Committee on Pensions

THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

Testimony of Senator Joanne C. Benson

SB0604: Maryland Medical Assistance Program – Provider Agencies and Personal Care Aides –  
Reimbursement and Wages

Good afternoon, Chair Griffith, Vice Chair Klausmeier, and members of the Finance Committee. I am here to present SB0604 Maryland Medical Assistance Program – Provider Agencies and Personal Care Aides – Reimbursement and Wages.

This legislation is pivotal in providing fair working conditions for personal care workers across the state, issuing a just rate to each of the workers within the medical agencies. The personal care field is a rigorous environment, where many of these workers are put under strict work conditions while also caring for the population that is disabled or in critical need. The personal care workers are burdened with no tax break relief and are making just above minimum wage. These conditions are not sustainable for the workstyle that caregivers embark upon such as bathing and toileting, which is a very intimate action for the worker and the client. This makes worker turnover not only an inconvenience, but also a traumatizing occurrence to the client because of the potential of this intimate relationship being severed. Caregivers are provided with little assistance and tend to use personal funds for gas and essential needs such as food. In Maryland ninety percent of home care workers are women. Their average pay in Maryland is only \$14 an hour, making them underpaid and exhausted, which results in workers leaving for higher pay, and could risk the quality of care provided to this vulnerable population. We need to take care of these workers, because if we do not, we would be neglecting those caregivers and these at risk communities across the great State of Maryland.

The purpose of this legislation is to increase the Medicaid reimbursement rates for home care from \$23 an hour to \$25; requiring provider agencies to pay the greater of \$16 per hour or 64% of the hourly reimbursement rate to personal care aides. This bill does not apply to programs under the Developmental Disabilities Administration, and it does not apply to the private sector. It only applies to Medicaid home care provided under the Department of Health's Office of Long-Term Services and Supports. SB604 makes sure workers get a fair share of those public dollars from Medicaid. This bill ensures that our caregivers are being adequately protected while reimbursing them for their efforts, increasing the hourly wage earned from \$14 to \$16.

Workers would now have increases in wage in accordance with the Medicaid reimbursement rate increases which ultimately can increase the overall lifestyle for each of these caregivers.

Thus, I respectfully urge the committee to issue a favorable report for SB0604.

**SB604 - PJC - Fav - FINAL.pdf**

Uploaded by: David Rodwin

Position: FAV

## SB604: Maryland Medical Assistance Program - Provider Agencies and Personal Care Aides - Reimbursement and Wages

Hearing of the Senate Finance Committee, March 7, 2023

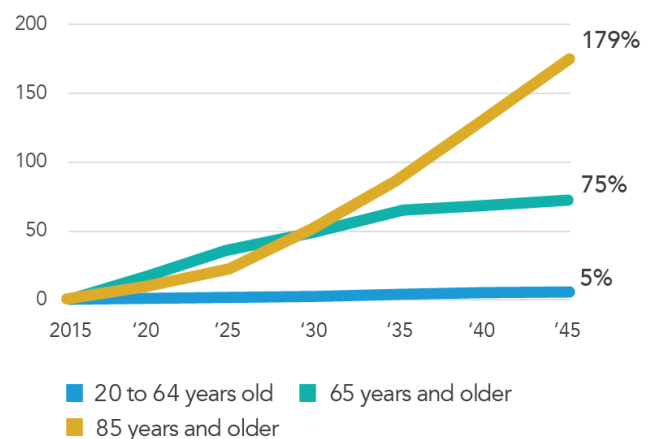
### Position: Favorable

The Public Justice Center (PJC) is a not-for-profit civil rights and anti-poverty legal services organization which seeks to advance social justice, economic and racial equity, and fundamental human rights in Maryland. Our Workplace Justice Project works to expand and enforce workers' right to an honest day's pay for an honest day's work. The PJC **supports SB 604**, which would increase funding for certain Medicaid-funded home care programs while also ensuring that home care workers get a fair share of that money – improving job quality, recruitment, and retention.

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

- **Demand for home care is increasing** as Maryland ages and more people with disabilities receive care in their homes rather than nursing homes. Maryland will need *40 percent more care workers* over the next ten years.<sup>1</sup> The chart to the right shows Maryland's projected population growth.
- **There are not enough home care workers.** Residential Service Agencies (RSAs, or home care agencies) report high turnover. Workers are either leaving for jobs at Wal-Mart or Royal Farms because of low wages and lack of benefits, or working for higher pay in Washington, D.C., where a recent survey found that *70% of home care workers live in Maryland*.
- **Medicaid funds most home care**, and the Maryland Department of Health now pays RSAs \$23 per hour of care. But the median wage for home care workers is just \$14.08 – and *even less* for Medicaid-funded workers.
- **Maryland ranks in 49th out of 50 states – the second worst –** in the difference between home care workers' actual wages and what is needed to attract and retain enough workers while paying workers enough to live, according to June 2022 [study](#) by the Economic Policy Institute and New America.<sup>2</sup>

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



<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/>.

<sup>2</sup> Economic Policy Institute and New America, *All States must set higher wage benchmarks for home health care workers*, June 2022, available at <https://www.epi.org/publication/state-home-health-care-wages/>.

**Solution: A Higher Medicaid reimbursement rate and a fair share for workers.**

- **SB 604 increases the Medicaid reimbursement rate** from the current \$23/hour to \$25/hour starting July 1, 2024.
- **SB 604 also requires that workers be paid a fair share** of the public dollars going to RSAs.
  - Starting July 1, 2024, personal care aides whose work is funded through the Maryland Department of Health's Office of Long Term Services and Supports<sup>3</sup> must be paid at least \$16 per hour. Thus, workers would get at least 64% of the \$25 going to RSAs, as \$16 is 64% of \$25.
  - Moving forward, the bill requires that workers continue to get a fair share – 64% – of the payments that RSAs receive. So, as reimbursement rates increase, workers' wages will increase, too.
  - This policy ensures a baseline minimum level of job quality in publicly funded home care. It will benefit businesses, workers, and consumers alike.
- **Policies like this have been implemented across the country.** This bill is similar to a Maine law passed in 2021, which increased reimbursement rates while requiring that Medicaid-funded workers be paid at least 25% more than minimum wage – which now equates to a wage floor of \$17.25 per hour.

**Fair pay for personal care aides is a matter of both race equity and gender equity.**

- **Personal care aides in Maryland are mostly Black women:** about 90% are women and about 70% are Black. Despite its importance, care work has been devalued and disrespected for far too long.
- **Maryland's Medicaid policies trap workers and their families in poverty.** Publicly funded jobs should be decent jobs that allow workers to support themselves and their families – as is the case with publicly funded construction projects. But the Medicaid reimbursement rate is too low and there is no wage floor other than minimum wage.
- **A higher Medicaid rate and higher wages will help make these publicly funded jobs better jobs** and will help move Maryland closer to race and gender equity.

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

- **The annual cost will soon drop to \$0,** because the Medicaid reimbursement rate for personal care will almost certainly increase beyond \$25/hour regardless of this bill.
- **The fiscal note does not consider the lower cost of home care compared to nursing care.** If Maryland fails to make home care jobs more attractive, more Marylanders will be forced to remain in nursing homes – which are far more expensive than in-home care – due to the shortage of home care workers.

For the foregoing reasons, the PJC **SUPPORTS SB 604** and urges a **FAVORABLE** report. Should you have any questions, please contact David Rodwin at [rodwind@publicjustice.org](mailto:rodwind@publicjustice.org) or 410-625-9409 ext. 249.

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<sup>3</sup> This bill does not apply to any programs operated under the Developmental Disabilities Administration.

*The Public Justice Center is a 501(c)(3) charitable organization and as such does not endorse or oppose any political party or candidate for elected office.*

# **SB 604 - Maryland Medical Assistance Program – Pro**

Uploaded by: Donna Edwards

Position: FAV



# MARYLAND STATE & D.C. AFL-CIO

AFFILIATED WITH NATIONAL AFL-CIO

7 School Street • Annapolis, Maryland 21401-2096

Balto. (410) 269-1940 • Fax (410) 280-2956

*President*

**Donna S. Edwards**

*Secretary-Treasurer*

**Gerald W. Jackson**

**SB 604 - Maryland Medical Assistance Program – Provider Agencies and Personal Care Aides –  
Reimbursement and Wages  
Senate Finance Committee  
March 7, 2023**

**SUPPORT**

**Donna S. Edwards  
President**

**Maryland State and DC AFL-CIO**

Madame Chair and members of the Committee, thank you for the opportunity to submit testimony in support of SB 604. My name is Donna S. Edwards, and I am the President of the Maryland State and District of Columbia AFL-CIO. On behalf of Maryland's 300,000 union members, I offer the following comments.

Our healthcare system is in crisis. Healthcare providers suffer from staffing shortages that prevent them from providing the level of care that our state deserves. Between 2015 and 2045, Maryland's population of residents over 85 years old is expected to grow by 179%. We will need 40% more personal care workers than we have now.<sup>1</sup> The pandemic pushed our care workforce to the brink and many left the industry to find employment in higher paying, less demanding jobs. The time to act is now. SB 604 gives personal care workers a raise by increasing Maryland's medicaid reimbursement rate. The bill sets a minimum wage for state funded personal care aides of at least \$16 per hour. After July 1st, 2024, personal care aides must be paid at least 64% of the state's medicaid reimbursement rate, ensuring that these workers are able to benefit from future increases to the reimbursement rate. This approach follows the lead of other states like Maine, who passed a bill in 2021 that tied increased reimbursement rates for personal care services to a wage floor of \$17.25 per hour. Wage pass throughs for healthcare workers using Medicaid reimbursement programs are increasingly common, with over 21 states having some system in place.<sup>2</sup>

This is also an issue of social equity. Maryland's direct care workforce is 87% people of color and 90% women. Despite taking care of our most vulnerable, personal care workers are underpaid and overworked. We can help to close the gender pay gap and advance racial equity by passing this bill.

We urge the committee to issue a favorable report for SB 604.

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<sup>1</sup> PHI. "The Direct Services Workforce in LTSS in MD and DC." September 2018.

<sup>2</sup> McKnight Long Term Care News. "Nearly half of states now using Medicaid to boost direct-care pay." November 4, 2022.

**SB604\_FAV\_AlzheimersAssociationMD.pdf**

Uploaded by: Eric Colchamiro

Position: FAV



Testimony of the Alzheimer's Association Greater Maryland and National Capital Area Chapters  
**SB 604 - Maryland Medical Assistance Program - Provider Agencies and Personal Care Aides -  
Reimbursement and Wages**  
Position: Favorable

Chair Griffith and Vice Chair Klausmeier,

The Alzheimer's Association – representing the over 110,000 Marylanders with Alzheimer's and other forms of dementia, along with their caregivers – is here today in strong support of Senate Bill 604, which requires 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; requires provider agencies to pay the greater of \$16 per hour or 64% of the reimbursement rate to personal care aides and to provide a written notice regarding the wage to personal care aides; and requiring provider agencies to submit annual cost reports to the Department.

Alzheimer's, the most common form of dementia, is a disease that gets progressively worse over time. It is typically characterized by three stages. In the early stage, symptoms include trouble with planning, coming up with the right word or name, or having difficulty performing tasks at work or in social settings. In the moderate stage, people with dementia can start to withdraw, or often feel moody. They have trouble getting dressed. And as it progresses to the late stage, people can have difficulty communicating and eating, and require around the clock care. It becomes an extraordinary challenge for dementia caregivers, which wears on their mental and physical health. And at some point, frankly, it becomes too much for just them – and they require a home health aide to assist with their loved ones.

These aides, what we often call the direct care workforce, are an essential part of our care eco-system. Yet, as testimony indicates, there are not enough of them and they are not getting paid enough. This bill works at this problem; we can not simply increase the wages, we need to make sure that these funds are getting to workers so that they stay in the industry and people can get helped. So the cost reports this legislation mandates – while it may seem onerous, while it may be onerous – they are an essential compliance mechanism for this industry.

This bill provides a fair solution to help this problem. And it is necessary; to help people living with Alzheimer's and dementia, to help this workforce, and to help elevate the quality of care provided. I urge a favorable report.

# **SB 604 - Fatimah.pdf**

Uploaded by: Fatimah Jallow

Position: FAV

## **Testimony in Support of SB 604**

### **Maryland Medical Assistance Program - Provider Agencies and Personal Care Aides - Reimbursement and Wages**

Dear Chair Griffith and members of the Finance committee:

My name is Fatimah and I live in Baltimore County. I have been a home care aid for 5 years. I am single mother of three children and I am here today because for too long home care workers have been underpaid and overworked. We have been invisible to rest of society as we travel to people's homes ensuring they are able to do their daily tasks safely and with support. I believe that care workers are the backbone of this economy allowing loved ones to return to work and ensure our clients age in place.

I immigrated to Maryland from Gambia. I know that caregiving has been undervalued in this country due to historical legacies of racism, sexism, and xenophobia. Many are leaving the field because of poor pay, lack of adequate benefits, and risky working conditions. I could not pay my rent for three months because of irregular hours and low pay.

I am here today to fight for me and my family, for home care workers in the state but also for my patients who deserve consistent caregivers. The work we do is physically and emotionally challenging and when I go home, I must make sure I can pay all my bills and take care of my own health.

I do this work because providing care is important to me, but I am underpaid and burnt out trying to make ends meet for me and my family. It's long overdue for the state to invest in us, care workers, and ensure we are getting adequately paid.

Because care can't wait, I urge you to issue a favorable report on SB 604.

Sincerely,

Fatimah Jallow

[diallofatima84@yahoo.com](mailto:diallofatima84@yahoo.com)

# **SB604 Support.pdf**

Uploaded by: Hindley Williams

Position: FAV



**SB604: Maryland Medical Assistance Program- Provider Agencies and Personal Care Aides –  
Reimbursement and Wages  
Support**

Testimony of Maryland Centers for Independent Living

Senate Finance March 6, 2023

The seven Centers for Independent Living (CIL) were established by federal law and work to ensure the civil rights and quality services of people with disabilities in Maryland. Centers for Independent Living are nonprofit disability resource and advocacy organizations located throughout Maryland operated by and for people with disabilities. CIL staff and Boards are at least 51% people with disabilities. We are part of a nationwide network which provides Information and Referral, Advocacy, Peer Support, Independent Living Skills training, and Transition Services.

Demand for home care is increasing as Marylanders age and more Marylanders with disabilities receive care in their homes rather than in nursing facilities. There is already a shortage of personal care aides as workers take jobs in other sectors for better pay and benefits. Medicaid funds most home care and the Maryland Department of Health currently pays Residential Service Agencies (RSAs, or home care agencies) \$23 per hour of care.

HB318 has two main parts. *First*, it increases the Medicaid reimbursement rate to \$25/hour. *Second*, it provides that starting July 1, 2024, personal care aides whose work is funded through the Maryland Department of Health’s Office of Long Term Services and Supports must be paid at least \$16 per hour.

In summary, this bill will increase funding for certain Medicaid-funded home care programs while also ensuring that home care workers get a fairer share of that money – improving job quality, recruitment and retention. Many people with disabilities across the state rely on personal care aides to help maintain their independence at home. The Maryland Centers for Independent Living stand in support of this bill.

**Contact Information:**

Sarah Basehart  
Independence Now  
240-898-2183  
[sbasehart@innow.org](mailto:sbasehart@innow.org)

Hindley Williams  
The IMAGE Center  
410-305-9199  
[hwilliams@imagemd.org](mailto:hwilliams@imagemd.org)

# **SB0604 FAV JOTF Testimony - Maryland Medical Assis**

Uploaded by: Ioana Stoica

Position: FAV

**TESTIMONY IN SUPPORT OF SENATE BILL 604:  
Maryland Medical Assistance Program - Provider Agencies and Personal Care Aides -  
Reimbursement and Wages**

TO: Chair Melony Griffith and Members of the Senate Finance Committee

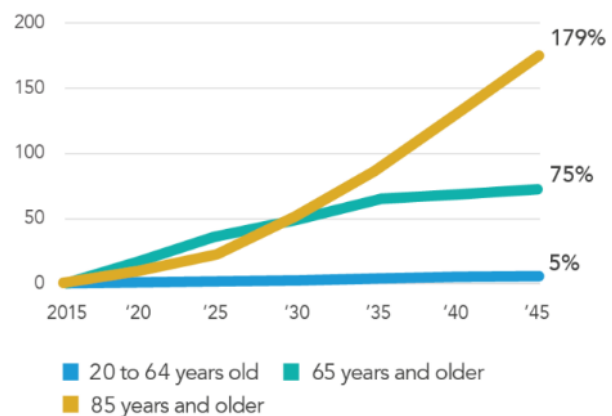
FROM: Ioana Stoica, Policy Advocate

DATE: Monday, Mar, 2023

The Job Opportunities Task Force (JOTF) is an independent, nonprofit organization that develops and advocates policies and programs to increase the skills, job opportunities, and incomes of low-wage workers and job seekers in Maryland. **JOTF strongly supports Senate Bill 604 as a means of addressing the shortage of personal care aide workers, and of improving job quality, recruitment, and retention.**

Maryland faces an increasingly dire shortage of personal care aides, which disproportionately hurts older adults and people with disabilities – and the situation will be exacerbated by increasing need. The population of individuals over the age of 85 is expected to grow by over 150% over the next two decades. And, more seniors and people with disabilities are choosing to stay in their homes instead of entering care homes. For these reasons, the home health aide industry is predicted to be one of the fastest growing nationwide in the upcoming years.

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



If Maryland does not adapt to address this shortage, many of our seniors and people with disabilities will be left to fend for themselves, or to enter care homes when they may prefer to remain in their homes, amongst family members and in familiar environments. Meanwhile, care will favor those who have private insurance plans or who can afford to pay out of pocket.

The worker shortage is caused in large part due to the abysmal wages that personal care aides earn, especially given the intensity of the labor required. The U.S. Bureau of Labor Statistics reports that the median annual wage for home health and personal care aides was \$29,430 in 2021. The National Low Income Housing Coalition reports that, at this wage, someone would have to work 78 hours a week to afford a modest 1 bedroom rental home at fair market rent. When someone can

# JOTF JOB OPPORTUNITIES TASK FORCE

*Advocating better skills, jobs, and incomes*

make as much, and receive better benefits, by working in retail, it is no surprise that many health aides leave these jobs after only a few years, if that. Recent research estimates turnover in the industry at 64%.

Home health aides are some of the lowest paid and yet extremely demanding positions. Health aides help their clients with using the bathroom, eating, drinking, and other tasks that require a high degree of trust and physical labor. These positions are primarily held by women, specifically by women of color. In Maryland, about 90% are women and about 70% are black. Ensuring better wages for these professionals would not only ensure that the work is appropriately valued, but would also play a role in addressing the racial and gender pay gaps.

Senate Bill 604 would begin to address the health aide availability and wage crisis in a twofold way. First, it would increase the Medicaid reimbursement rate to \$25/hour, and would require that workers be paid a fairer share of this funding. Second, it would create a requirement for home care agencies to provide specified data to the State about their spending - a necessary tool for determining how State funding is being used, and for subsequently ensuring that policies implemented address problems that arise in a way that is data-driven.

**For all the aforementioned reasons, we urge a favorable report on Senate Bill 604.**

**For more information, contact:**

Ioana Stoica / Policy Advocate / [ioana@jotf.org](mailto:ioana@jotf.org) / 240-643-0059



**SB604\_MA\_PCA\_LOS.pdf**

Uploaded by: Jennifer Eastman

Position: FAV



# MARYLAND COMMISSION ON CAREGIVING

## MEMBERS

*Jennifer Eastman., Chair*

*Ann Squire*

*Patricia Morris*

*Theresa Roberson*

*Esther Ward*

*Terri Johnson*

*Mary Anne Kane-Breschi*

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*Katherine Wehr*

*Larry Bram*

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*Yetunde Olobatuyi*

*Shalini Arora, LCSW-C*

March 7, 2023

The Honorable Melony Griffith  
Chair, Senate Finance Committee  
3 East, Miller Senate Building  
Annapolis, MD 21401

### **RE: SB 604 - Maryland Medical Assistance Program - Provider Agencies and Personal Care Aides - Reimbursement and Wages**

Dear Chairwoman Griffith,

The Maryland Commission on Caregiving is pleased to submit this **letter of support for SB 604 - Maryland Medical Assistance Program - Provider Agencies and Personal Care Aides - Reimbursement and Wages**. This bill will 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% of the reimbursement rate to personal care aides.

Many people with disabilities and older adults rely on Medicaid-funded personal care services to provide necessary supports to live safely and independently within their homes. As the population ages, people with disabilities live longer, and national policy shifts from institutional towards community-based care, there will need to be substantial improvements in the availability of personal care aides to meet the demand. This has only been exacerbated by the COVID-19 pandemic.

Unfortunately, due to the low Medicaid-reimbursement rate for personal care services, there is little incentive for people to enter a workforce that requires them to perform oftentimes strenuous activities to support people with disabilities and older adults to live in their homes. How can residential service and home health agencies compete with other employers like Wal-Mart and Amazon offering a minimum of \$15 an hour when the average wage for direct care workers in Maryland is \$13.03<sup>1</sup>? Additionally, the current personal care workforce is primarily comprised of women (88%), and people of color (88%) and 32% were born out of the U.S. which makes this also a gender and racial equity issue.

As the state slowly moves towards a self-directed model for its Home and Community-Based Services, something the Developmental Disabilities Administration (DDA) has had in its waiver program for years, it is imperative that the reimbursement rate increases to allow participants greater flexibility to hire their own staff outside the confines of an agency. A \$25 per hour reimbursement rate would allow participants a competitive edge and improve their chances of finding staff who are competent, qualified, and dependable. Lastly, many people with developmental disabilities who are enrolled in a DDA-Medicaid waiver are also eligible for and are receiving

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<sup>1</sup> <https://www.phinational.org/resource/the-direct-services-workforce-in-ltss-in-md-and-dc/>

services through the Community First Choice (CFC) State Plan. Because of the discrepancies in rate reimbursement between the programs, many people cannot find consistent and reliable staff under CFC prompting them to request additional services through the DDA waiver. Since Maryland receives an additional 6% federal match under CFC and the DDA reimbursement rate is higher for similar services provided, the costs to MD are higher than if CFC services could be leveraged making this also a cost savings issue.

Serving as the ‘voice of the Maryland family caregiver,’ the Maryland Commission on Caregiving (“Commission”) is a 14-member Governor-appointed body charged with recommending policies that positively impact family caregivers, soliciting and responding to their concerns and acknowledging their contributions. The Commission works to ensure that caregivers across the lifespan are equipped with the resources needed to provide safe care to their loved ones. Medicaid-funded personal care programs are essential to supporting family caregivers. Passage of SB 604 would support such efforts which is why the Commission respectfully urges a favorable report.

Sincerely,


A handwritten signature in cursive script that reads "Jennifer Eastman".

Jennifer Eastman, Chair, MD Commission on Caregiving

# **NASW Maryland - 2023 SB 604 FAV - Home Care Worker**

Uploaded by: Judith Schagrin

Position: FAV



**Senate Finance Committee**  
**Senate Bill 604 - Maryland Medical Assistance Program –**  
**Provider Agencies and Personal Care Aides – Reimbursement and Wages**  
**March 7, 2023**  
**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 604 – Maryland Medical Assistance Program – Provider Agencies and Personal Care Aides – Reimbursement and Wages.

As social workers, we are in favor of this bill because it increases wages for personal care workers who provide vital services to vulnerable older adults and persons with disabilities, through the Medicaid Home and Community-Based Services (HCBS) programs. This bill also increases the reimbursement to Residential Services Agencies (RSAs) and holds them accountable for paying their employees at the required rates.

Currently, the median wage for home care workers in Maryland is only \$14.08, and even less for those funded by Medicaid programs. Because the pay is low and the work is demanding, there is a serious shortage of personal care aides in Maryland; this shortage leads to delays and gaps in care for older Marylanders and those with disabilities on Medicaid HCBS programs. As our state’s personal care workforce shrinks, the need continues to grow as Maryland’s population ages. According to the Administration for Community Living, 22 percent of Maryland’s population will be 60 or older by the year 2030, an increase of 26 percent from 2012.

This bill increases the Medicaid reimbursement rate to \$25 an hour, and mandates that, by July 1, 2024, personal care aides in Medicaid HCBS must be paid at least \$16 per hour. In subsequent years, the bill requires that personal care workers receive at least 64% of the payments that the agencies receive. This payment scheme benefits the RSAs and the workers. The bill also requires the RSAs to submit documentation of their compliance with the wage standards to the Department of Health. The state will take enforcement action against provider agencies that fail to submit the cost reports or fail to pay personal care aides at the required rates. These provisions will likely ensure that the law is enacted consistently.

Senate Bill 604 will help hard-working personal care employees and their families, increase the supply of workers, and enhance care for older Marylanders and Marylanders with disabilities in Medicaid HCBS programs.

We ask that you give a favorable report on Senate Bill 604.

Respectfully,

Mary Beth DeMartino, LCSW  
Executive Director, NASW-MD

**SB 604\_MD Center on Economic Policy\_FAV.pdf**

Uploaded by: Kali Schumitz

Position: FAV

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

## Position Statement in Support of Senate Bill 604

*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 604 would advance these goals while strengthening our long-term care workforce. For these reasons, the Maryland Center on Economic Policy supports Senate Bill 604.

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,<sup>ii</sup> and disproportionately harm women of color, who constitute the bulk of this workforce:<sup>iii</sup>

- 63% of home care workers in Maryland are Black, and 76% are workers of color.
- 80% of home care workers in Maryland are women, and 60% are women of color.
- 43% of home care workers in Maryland were born outside the United States.
- Home health and personal care aides in Maryland typically took home only \$14.08 per hour in 2021.<sup>iv</sup> If a worker is misclassified as an independent contractor, this is equivalent to an employee wage of only \$12.91 per hour.

Senate Bill 604 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 2024, but not less than 64% of the reimbursement rate paid by the state to the agency. At the same time, the bill would require the state to increase Medicaid reimbursement rates for this care to \$25 per hour, ensuring that agencies can afford to pay decent wages.

Strengthening protections to ensure workers are 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 604.**



## Equity Impact Analysis: Senate Bill 604

### *Bill summary*

Senate Bill 604 would require home care provider agencies to pay personal care aides at least \$16 per hour beginning in July 2024, but not less than 64% of the reimbursement rate paid by the state to the agency. The bill would also require the state to increase Medicaid reimbursement rates for this care to \$25 per hour beginning in July 2024.

### *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>v</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>vi</sup>

### *Equity Implications*

Senate Bill 604 would strengthen protections for home care workers who face dangerous working conditions, often take home low wages, and are disproportionately women of color.<sup>vii</sup> It would also benefit Marylanders with disabilities by increasing the long-term supply of workers available to provide necessary supports.

- 63% of home care workers in Maryland are Black, and 76% are workers of color.
- 80% of home care workers in Maryland are women, and 60% are women of color.
- 43% of home care workers in Maryland were born outside the United States.
- Home health and personal care aides in Maryland typically took home only \$14.08 per hour in 2021.<sup>viii</sup> If a worker is misclassified as an independent contractor, this is equivalent to an employee wage of only \$12.91 per hour.

### *Impact*

Senate Bill 604 would likely **improve racial, gender, disability, and economic equity** in Maryland.

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<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> MDCEP analysis of 2019–2021 IPUMS American Community Survey microdata.

<sup>iv</sup> Bureau of Labor Statistics, May 2021 Occupational Employment and Wage Statistics for Maryland

<sup>v</sup> Shwe, 2021

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

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

<sup>viii</sup> Bureau of Labor Statistics, May 2021 Occupational Employment and Wage Statistics for Maryland

# **SB 604 Support to Increase Reimbursement Mont Co C**

Uploaded by: Leslie Frey

Position: FAV



## 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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401 Hungerford Drive, 4th Floor, Rockville, Maryland, 20850 240-777-1120, FAX 240-777-1436

[www.montgomerycountymd.gov/hhs](http://www.montgomerycountymd.gov/hhs)

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,

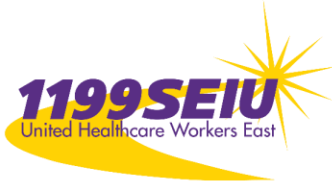
*David Engel*

David Engel, Chair

**SB 604- 1199 SEIU.pdf**

Uploaded by: Loraine Arikat

Position: FAV



## Testimony in Support of SB 604

### Maryland Medical Assistance Program - Provider Agencies and Personal Care Aides - Reimbursement and Wages

Dear Chair Griffith and members of the Finance committee:

My name is Ricarra Jones, and I am the Political Director of 1199SEIU United Healthcare Workers East. We are the largest healthcare workers union in the nation – representing 10,000 healthcare workers in long-term care facilities and hospitals across Maryland. 1199 SEIU supports SB 604 because we believe the state needs to invest in our essential care workers.

**1199 SEIU is at the forefront of navigating a dire shortage of healthcare workers across hospitals and long term care.** We know that the demand for home care is increasing as Maryland's population of those 65 and older will exponentially increase. In order to meet the need adequately, Maryland will need 40 percent more care workers over the next 10 years<sup>1</sup>.

**Investing in Maryland's long term care system means higher Medicaid reimbursement rates for agencies and fair share resulting in higher wages for workers.** Because state Medicaid agencies set reimbursement rates and pay for many of these workers, states have the opportunity and responsibility to improve outcomes for home care workers and the families they serve by ensuring that the home health care workforce is supported by family sustaining wages.

**Fair pay for personal care aides is a race equity and gender equity issue.** PCAs are about 90% women and 70% are Black. Nearly 1 in 10 personal care aides live in poverty in the state. Higher wages means personal care aides are relying less on public assistance, improve quality care, and attract more people to stay in the field.

**1199 SEIU also supports SB 604 because it addresses the lack of adequate data and transparency about Maryland's home care workers.** Requiring annual cost reports from publicly funded home care agencies will ensure compliance and provide MDH vital information on how public dollars are being spent to meet the needs of Maryland's aging population.

Because care can't wait and for the reasons above, we request a **favorable** report on SB 604.

In Unity,

Ricarra Jones, Political Director

[ricarra.jones@1199.org](mailto:ricarra.jones@1199.org)

**SB 604 -WLCMD - FAV.pdf**

Uploaded by: Michelle Siri

Position: FAV

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BILL NO: Senate Bill 604  
TITLE: Maryland Medical Assistance Program - Provider Agencies and Personal Care  
Aides - Reimbursement and Wages  
COMMITTEE: Finance (Budget & Taxation)  
HEARING DATE: March 7, 2023  
POSITION: **SUPPORT**

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Senate Bill 604 seeks to increase funding for certain Medicaid-funded home care programs while also ensuring that home care workers get a fairer share of that money – improving job quality, recruitment, and retention. As our nation faces an on-going crisis of care, derived from the pandemic, staffing shortages, and an increasingly aging population, anything we can do to address these issues will benefit Maryland families.

SB 604 will increase the hourly rate that Medicaid-funded home care programs receive, but only so long as the employer creates a certain minimum wage for workers. This is significant as Maryland ranks 49<sup>th</sup> out of 50 states in the difference between home care workers' actual wages and what is needed to attract and retain enough workers while paying workers enough to live, according to June 2022 study by the Economic Policy Institute and New America. This is a particularly acute burden for women, and women of color in particular, who represent a disproportionate percentage of personal care aides.

SB 604 seeks to address the shortage of personal care aides and the abysmal wages those employees currently earn, which in turn will support Maryland families and enable continued economic security for women in Maryland. As such, the Women's Law Center of Maryland, Inc. urges a favorable report on Senate Bill 604.

**The Women's Law Center of Maryland is a non-profit legal services organization whose mission is to ensure the physical safety, economic security, and bodily autonomy of women in Maryland. Our mission is advanced through direct legal services, information and referral hotlines, and statewide advocacy.**



**SB0604 Mott Testimony MD Medical Assistance Wages.**

Uploaded by: Susan Allen

Position: FAV

Testimony on SB604: Maryland Medical Assistance Program-Provider Agencies and Personal Care Aides—Reimbursement and Wages

Position Favorable

Dear Chair Griffith, Vice Chair Klausmeier, and Members of the Senate Finance Committee,

My name is David Mott and I live in Montgomery County, MD. I am a volunteer for the Maryland Poor People's Campaign and we are in total support of SB0604 and its reimbursement and wage goals for Personal Care Aides.

We strenuously request that this bill be passed in the 2023 Legislative session. To not adopt this legislation will be to prolong the shameful state of poverty that exists in Maryland working families and deepen the hurt visited on our Personal Care Aides, whose work is critical to a healthy Maryland.

During the height of the Covid Epidemic, Personal Care Aides and other health care providers were deemed critical workers. And, indeed they are, then and now. Yet the meager wages allowed by Maryland's timid approach to a living and family sustainable wage leaves Personal Care Aides' budgets and families in critical condition.

During research for the MD PPC "Resolution to End Poverty in Maryland," we found that working Marylanders face a high risk of economic ruin. In 2021, 10.3 % of Marylanders lived below the poverty line, which is a mere \$27,750 for a family of four. According to the Massachusetts Institute of Technology's Living Wage Model, a family with two working adults and two children in Maryland needs an annual income of \$109,820 to have a comfortable living and basic economic security.

The Maryland minimum wage of \$13.25 per hour amounts to an annual wage based on a 40-hour work week of just \$27,560 -- \$190 less than the official poverty rate. And, many workers, including Personal Care Aides, are not scheduled to work a consistent 40 hours per week compounding the effect of a still low and inadequate wage. Raising the minimum wage to \$15.00 is still not a living wage.

SB0604 increases the hourly wage for Personal Care Aides – workers deemed critical to the health of individuals and communities –to \$25 per hour that is fairly shared by the provider agencies and the Maryland Medical Assistance Fund.

Personal Care Aides recognize a fundamental truth of the health care profession: they cannot adequately care for their patients and clients unless they can first care of themselves.

SB0604 is a start in helping Personal Care Aides take care of themselves and their families, which means improved health care for the Marylanders they are responsible for and who need their talent and skills.

With respect, pass SB0604 now.

David Mott

202-258-6583

14216 Chadwick Lane,

Rockville, MD 20853

dmottunion@gmail.com

Volunteer, The Maryland Poor People's Campaign



# **SB 604 MD Medi Assistance Program Provider Agencie**

Uploaded by: Tammy Bresnahan

Position: FAV



One Park Place | Suite 475 | Annapolis, MD 21401-3475  
1-866-542-8163 | Fax: 410-837-0269  
aarp.org/md | md@aarp.org | twitter: @aarpm  
facebook.com/aarpm

**SB 604 Maryland Medical Assistance Program – Provider Agencies and Personal Care Aides – Reimbursement and Wages**  
**Senate Finance Committee**  
**FAVORABLE**  
**March 7, 2023**

Good afternoon Chair Griffith and members of the Senate Finance Committee. I am Tammy Bresnahan, Senior Director of Advocacy AARP Maryland is a proud member of the Caring Across Maryland coalition supporting a package of bills to bolster quality of care in long term care settings. On behalf of our almost 900,000 members, we would like to thank you for the opportunity to speak in support of HB 318 Maryland Medical Assistance Program-Provider Agencies and Personal Care Aids-Reimbursement. We thank Senator Benson for sponsoring this important piece of legislation.

AARP is a nonpartisan, nonprofit, nationwide organization that helps people aged 50 and above, strengthens communities and fights for the issues that matter most to families, such as health care, employment and income security, retirement planning, affordable utilities, and protection from financial abuse.

AARP Maryland supports SB 604 which would increase funding for Medicaid-funded home care programs while also ensuring that home care workers get a fairer share of that money. This bill requires the Maryland Department of Health (MDH), by July 1, 2024, to increase the hourly reimbursement rate for personal assistance services provided under Medicaid home and community-based services (HCBS) program to a minimum of \$25 per hour beginning July 1, 2024. A provider agency must also provide written notice to each PCA about the wage increase. By September 1, 2024, and annually thereafter, a provider agency must submit a specified cost report to MDH. MDH must develop a process for a PCA to report a provider agency's failure to comply with the wage increase. MDH may take appropriate enforcement action against a provider agency for specified actions.

AARP believes that living wages and salaries should be commensurate with comparable salaries in the state and with the time, skill, and effort required to render high-quality services and supports. Medicaid reimbursement rates should be rebased and updated regularly to consider relevant economic and financial information, including provider costs. State governments should require pass-throughs (i.e., using additional long term services and supports funding) or other mechanisms to increase compensation for direct-care workers.

In addition, there should be adequate accountability procedures, such as audits, to ensure that reimbursement increases designated for staffing costs are used for that purpose. And lastly State governments should document the shortage of workers and their training needs, and support

research to identify effective ways to address these problems and create a sustained high-quality workforce.

For these reasons, we ask the Committee for a favorable report on SB 604. If you have questions or comments, please contact Tammy Bresnahan at [tbresnahan@arp.org](mailto:tbresnahan@arp.org) or by calling 410-302-8451.

# **SB 604 - Tonya.pdf**

Uploaded by: Tonya Maynard

Position: FAV

## **Testimony in Support of SB 604**

### **Maryland Medical Assistance Program - Provider Agencies and Personal Care Aides - Reimbursement and Wages**

Dear Chair Griffith and members of the Finance committee:

My name is Tonya. I have been a home care worker for 12 years in Maryland. I support SB 604 because it provides a needed investment in home care workers that can improve retention and recruitment to meet the needs of all the residents needing home care services.

Let me tell you about one of my clients, Linda. I worked with Linda for 8 years. Linda had a stroke and her whole left side was paralyzed. I would help her get up from bed, make her food, take her to doctor's appointments, advocate for her, and I treated her like family. Linda trusted me with her life and I was always the highlight of her day. She became part of my family. She passed away in 2021 and I had to take time off from work because of the grief I felt.

The client I have now, Anthony, has shuffled between home care workers because he is a bit difficult to work with. He became disabled 13 years ago after a horrible motorcycle accident that almost had him pronounced dead. But he survived. As I'm working with him, I feel like I'm helping him slowly put himself back together. I help him with his daily tasks and encourage him to believe in himself as he navigates his life.

My clients deserve all the care and attention in the world. But, I can't afford to stay in this field anymore. There are weeks where I am deciding between getting food for the week or gas and it's put me in a hard spot. I work 10-12 hour days and I take home \$1,800 every month. After I pay rent, car insurance, I barely have anything left for food, utility bills, and other needs.

It's just not fair. I'm almost ready to give it up but I don't want to give it up. I'm good at what I do and I have deep compassion for the people I work with.

SB 604 is an important step towards investing in Maryland's care workforce. I'm here to urge you to support SB 604 on behalf of clients like Linda and Anthony who need care workers and to help me keep the job that I love.

Sincerely,

Tonya Maynard

[Maynardtonya@gmail.com](mailto:Maynardtonya@gmail.com)



**SB 604 - Vivian.pdf**

Uploaded by: Vivian Boone

Position: FAV

## **Testimony for SB 604**

### **Position: FAVORABLE**

Dear Chair Griffith and members of the Finance Committee:

My name is Vivian Boone. I live in Baltimore City and I have been a home care worker for 35 years. This work is deeply personal and intimate. You get to know your client up close and personal and they become like family.

When the pandemic hit us, everyone saw how broken our healthcare system was. But it was us who had to keep working through the brokenness. CNAs, GNAs were pulled to face this battle. Many took their loved ones out of the nursing homes during that time to be cared for at home. We came in to your homes, assisted with daily activities, meals, medication, and provided support during a challenging time.

Our clients all have the right to be treated with respect and dignity. At some point in our lives, we will need some sort of care through nursing homes, hospital, or assisted living. In that time, all you will wish is for a reliable and support care workforce.

Without an increase in pay, I feel like my job, my worth has no value in this society. We are 3 years after the start of this pandemic and home care workers are completely left behind. We have a new governor in office that says no will get left behind. So I urge you legislators to vote favorably for a common sense bill that raises wages for home care workers.

Caregivers are the backbone of this economy. It's long overdue for the state to invest in us, care workers, and ensure we are getting adequately paid. Because care can't wait, I urge you to issue a favorable report on SB 604.

Sincerely,

Vivian Boone

[Vivianboone@gmail.com](mailto:Vivianboone@gmail.com)

**SB 604 - Nadirah.pdf**

Uploaded by: Wendy Wiley

Position: FAV

## **Testimony in Support of SB 604**

### **Maryland Medical Assistance Program - Provider Agencies and Personal Care Aides - Reimbursement and Wages**

Dear Chair Griffith and members of the Finance committee:

My name is Nadirah and I live in Baltimore City. I have been a home care aid on and off for 30 years now. I love my job because I believe that care is what keeps this world afloat. Since I was twelve years old when I started watching my mom and ever since then I knew that caregiving is my calling.

I am here today because for too long home care workers have been invisible to the rest of society as we travel to people's homes ensuring they are able to do their daily tasks safely and with support. I am here today to fight for home care workers in the state but also for my patients who deserve consistent caregivers. Because of low pay, I have colleagues jumping between agencies or sometimes leaving the field entirely to earn more in another industry.

When home care workers are compensated justly, we have better morale. When I go home, I want to have enough to not only make ends meet and pay my bills but also the things that make me feel good like a membership to the YMCA, going out to lunch, or getting a massage. I want home care workers in Maryland to not only survive, but thrive.

I do this work because providing care is personal to me, but I am underpaid and burnt out trying to make ends meet for me and my family. I had a brain tumor and survived a stroke. I suffered paralysis and when I could not walk, talk, or barely eat, I relied on a friend to care for me. Will the legislature wait until you or your loved ones experiences a health decline to invest in our care infrastructure? And by then, will it be too late?

Caregivers are the backbone of this economy. It's long overdue for the state to invest in us, care workers, and ensure we are getting adequately paid. Because care can't wait, I urge you to issue a favorable report on SB 604.

Sincerely,

Wendy (Nadirah) Wiley

[Wendywiley101@gmail.com](mailto:Wendywiley101@gmail.com)

**230306-SB604-wage-persnl-care-aids.pdf**

Uploaded by: Christine Hunt

Position: UNF

Christine Hunt and Jay Crouthers  
1014 Dockser Drive  
Crownsville, MD 21032

March 6, 2023

Maryland General Assembly  
Members of the Finance Committee  
Annapolis, MD

RE: SB 604-Maryland Medical Assistance Program – Provider Agencies and Personal Care Aides –  
Reimbursement and Wages

Dear Senators,

We oppose SB 604 and respectfully request that you vote against it.

Sincerely,

Christine Hunt and Jay Crouthers

**SB0604\_UNF\_MNCHA\_MD Med. Ass. Prog. - Provider Age**

Uploaded by: Danna Kauffman

Position: UNF



## Maryland-National Capital Homecare Association

Senate Bill 604: *Maryland Medical Assistance Program – Provider Agencies and Personal Care Aides – Reimbursement and Wages*  
Senate Finance Committee  
March 7, 2023

### **Position: Oppose**

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 **oppose** Senate Bill 604.

Senate Bill 604 requires the Maryland Medical Assistance Program (Medicaid) to increase the reimbursement rate for Program long-term services and supports by \$25 which then requires a residential service agency to increase wages for personal care aides to \$16/hour or 64% of the hourly reimbursement. Senate Bill 604 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 604. However, the \$25 increase mandated in the bill fails to cover the costs that will be incurred by residential service agencies to pay a \$16/wage. It is important to note that, while this may increase the wages only for personal care aides, Medicaid does not cover mandated nurse supervision visits. This is an unreimbursed mandate that has grown more expensive with shortages of registered nurses and licensed practical nurses. Therefore, if the Committee advances this legislation, at a minimum, the increased reimbursement must cover the costs associated with paying the higher wage as well as the costs that accompany the higher wage (such as unemployment, worker's compensation, etc.).

Regarding the notice and cost provisions, MNCHA opposes. This places another administrative burden on agencies and carries with it significant penalties for non-compliance, such as recoupment of funds, termination from the Medicaid program, and penalties. These penalties could be applied even if an agency unknowingly made an error on the cost reports. For these reasons, we request an unfavorable report.

### **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



**6 - X - SB 604 - FIN - MDH - LOO.pdf**

Uploaded by: State of Maryland (MD)

Position: UNF



## DEPARTMENT OF HEALTH

Wes Moore, Governor · Aruna Miller, Lt. Governor · Laura Herrera Scott, M.D., M.P.H., Secretary

March 7, 2023

The Honorable Melony G. Griffith  
Chair, Senate Finance Committee  
Senate Office Building, 3 East  
Annapolis, MD 21401

**RE: SB 604 – Maryland Medical Assistance Program - Provider Agencies and Personal Care Aides - Reimbursement and Wages – Letter of Opposition**

Dear Chair Griffith and Committee Members:

The Maryland Department of Health (MDH) respectfully submits this letter of opposition for Senate Bill (SB) 604 – Maryland Medical Assistance Program – Provider Agencies and Personal Care Aides – Reimbursement and Wages. SB 604 requires the following: (1) MDH to increase the hourly reimbursement rate for personal assistance services provided under the Maryland Medical Assistance Program to a minimum of \$25 per hour; (2) residential service agencies (RSAs) to pay the greater of \$16 per hour or 64% of the reimbursement rate to personal care aides and to provide a written notice regarding the wage to personal care aides; and (3) RSAs to submit on or before September 1, 2024, annual cost reports to MDH.

Currently, Maryland Medicaid has 758 Medicaid enrolled RSAs providing personal assistance services. In FY 2021, MDH reimbursed RSAs \$402,087,076 for personal assistance services provided to 14,562 Medicaid participants. MDH is responsible for determining the reimbursement rates for the personal assistance services rendered by RSAs. Rates are set at either a 15-minute increment or daily rate. MDH has consistently implemented the rate increases for Medicaid long term services and supports programs as required by HB 166/SB 280 Labor and Employment – Payment of Wages – Minimum Wage (Fight for Fifteen) (Chapters 10 and 11 of the Acts of 2019). The Governor’s budget proposes to expedite the HB 166/SB 280 rate increases for FY25 and FY26. If approved, Medical Assistance reimbursement rates for personal assistance service providers will increase by 12% effective July 1, 2023.

MDH is concerned that meeting SB 604’s requirements will pose challenges to the RSAs. These providers face high staffing overturns, which are likely to be exacerbated by the bill’s wage and reporting mandates. Medicaid’s RSA provider network and participants’ ability to access services would be negatively impacted as a result. MDH further notes that it has submitted a report to the General Assembly regarding SB 636 (Chapter 464 of the Acts of 2022), detailing MDH’s plans and the funding required to reduce the waitlists for the majority of its waivers by

50% by FY 2028.<sup>1</sup> With waiver enrollment expected to grow substantially if these plans are funded, ensuring the RSA provider network remains stable is of critical importance.

SB 604 requires MDH to increase the hourly reimbursement rate to a minimum of \$25 per hour on or before July 1, 2024. MDH estimates a fiscal impact of approximately \$27.38 million (\$13.69 million General Funds, \$13.69 million Federal Funds) in Fiscal Year 2025. This cost will increase each subsequent year. MDH notes that while it sets RSA rates, it does not currently act as employer or co-employer of individuals who work for the RSAs. SB 604 would require MDH to act in the capacity of an employer/ co-employer to oversee the establishment of wages and any respective reporting requirements. MDH will need additional staffing to oversee wages of the RSAs as well as provide program integrity and compliance services. This would cost MDH from FY 2025 through FY 2029, approximately \$4.65 million (\$2.325 million General Funds, \$2.325 million Federal Funds).

MDH is also concerned about SB 604's requirement for RSAs to submit annual cost reports to MDH. RSAs may not be prepared to implement this requirement. Additionally, MDH notes that in situations of non-compliance where lesser sanctions are ineffective and may warrant revocation of RSA licensure, the Office of Health Care Quality (OHCQ), which oversees RSA licensure, would be responsible for enforcement. This may impact the provider network and access to personal assistance services.

If you would like to discuss this further, please do not hesitate to contact Megan Peters, Acting Director of Governmental Affairs at [megan.peters@maryland.gov](mailto:megan.peters@maryland.gov) or (410) 260-3190.

Sincerely,



Laura Herrera Scott, M.D., M.P.H.  
Secretary

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<sup>1</sup> Report required by SB 636 - MDH - Waiver Programs - Waitlist and Registry Reduction (End the Wait Act) [https://dlslibrary.state.md.us/publications/Exec/MDH/HG15-150\(b\)\\_2022.pdf](https://dlslibrary.state.md.us/publications/Exec/MDH/HG15-150(b)_2022.pdf)