

**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

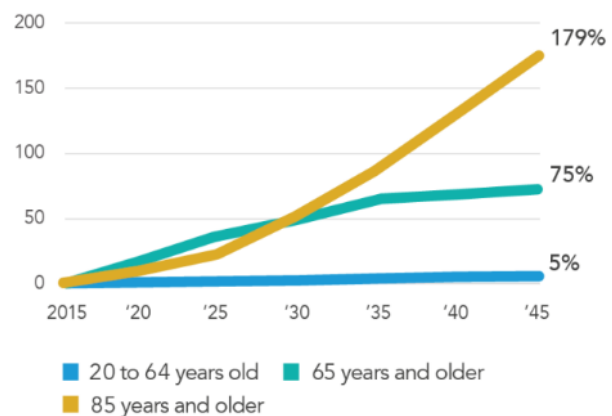
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The Job Opportunities Task Force (JOTF) is an independent, nonprofit organization that develops and advocates policies and programs to increase the skills, job opportunities, and incomes of low-wage workers and job seekers in Maryland. **JOTF strongly 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

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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:

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