



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:

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