



Testimony on SB 555

Fair Wage Act of 2023

Finance and Budget & Taxation Committees

March 2, 2023

POSITION: SUPPORT WITH AMENDMENTS

The Community Behavioral Health Association of Maryland (CBH) is the leading voice for community-based providers serving the mental health and addiction needs of vulnerable Marylanders. Our 110 members serve the majority of those accessing care through the public behavioral health system. CBH members provide outpatient and residential treatment for mental health and addiction-related disorders, day programs, case management, Assertive Community Treatment (ACT), employment supports, and crisis intervention.

We thank Governor Moore for accelerating in his budget the last two years of mandated rate increases- as included in the Fight for Fifteen legislation passed in 2019 - for behavioral health providers so that we can in turn meet the accelerated timeline for implementation of the \$15 minimum wage as of Oct. 1 of this year. Our workforce challenges predated the pandemic but have gotten progressively worse over the past two years. Given the demanding nature of the work we do, we must pay significantly more than minimum wage if we are to compete in the marketplace for a qualified workforce.

SB 555 indexes the minimum wage to the lesser of the Consumer Price Index or 5%. However, providers in the public behavioral health system have no guarantees that their rates will also be indexed accordingly in future years. We serve primarily Medicaid recipients, so our costs cannot be passed on to our clients. Unlike providers in other areas of health and human services, behavioral health providers went for decades without basic inflationary increases. We were uncomfortably close to the financial cliff, so mandated rate increases for community behavioral health providers were included in the Fight for Fifteen minimum wage bill. Despite those increases, our providers continue to feel the effects of decades of neglect and face ongoing high staff turnover and vacancy rates.

It is critical that we not repeat the mistakes of the past by ignoring the ongoing impact of inflation on provider rates and viability. **We therefore ask that SB 555 be amended to include rate indexing for community behavioral health providers commensurate with that applied to the \$15 minimum wage in this bill.**

We urge a favorable report on SB 555 with the following amendment:

Amendment No. 1

On page 5, in line 14, after “(6)” insert **“THE GOVERNOR’S PROPOSED BUDGET FOR FISCAL YEAR 2026 AND THEREAFTER SHALL INCLUDE A RATE INCREASE NO LEASS THAN THE PERCENTAGE INCREASE IN THE STATE MINIMUM WAGE TO TAKE EFFECT IN THE SAME FISCAL YEAR, AS DETERMINED UNDER LABOR AND EMPLOYMENT, § 3-413.1, FOR THE FOLLOWING:**

- (I) OBJECT 08 CONTRACTUAL SERVICES IN PROGRAM M00Q01.10 MEDICAID BEHAVIORAL HEALTH PROVIDER REIMBURSEMENT – MEDICAL CARE PROGRAMS ADMINISTRATION;**
- (II) OBJECT 08 CONTRACTUAL SERVICES IN PROGRAM M00L01.02 COMMUNITY SERVICES – BEHAVIORAL HEALTH ADMINISTRATION, AND;**



**(III) OBJECT 08 CONTRACTUAL SERVICES IN PROGRAM M00L01.03
COMMUNITY SERVICES FOR MEDICAID STATE FUNDED
RECIPIENTS – BEHAVIORAL HEALTH ADMINISTRATION.**

Amendment No. 2

On page 10, line 21, strike “MARCH 1, 2025, AND EACH MARCH 1 THEREAFTER” and replace with **“OCTOBER 1, 2021, AND EACH OCTOBER 1 THEREAFTER”**

For more information contact Lori Doyle, Public Policy Director, at (410) 456-1127 or lori@mdcbh.org.