

# NATIONAL DOMESTIC WORKERS ALLIANCE

Thursday, February 23, 2023

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

## **Comments in support of HB489: Residential Service Agencies - Reimbursement - Personal Assistance Services**

The **National Domestic Workers Alliance (“NDWA”)** submits this testimony in support of HB489, Residential Service Agencies - Reimbursement - Personal Assistance Services.

The National Domestic Workers Alliance (NDWA)<sup>1</sup> is the nation’s leading voice for dignity and fairness for the millions of domestic workers in the United States.<sup>2</sup> Founded in 2007, the National Domestic Workers Alliance represents over 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 our children, aging parents, and loved ones with disabilities every day. NDWA reaches and engages over 300,000 domestic workers on a regular basis through our 63 affiliate organizations in 36 cities and 17 states (including Maryland), our local chapters in Atlanta, Durham, Philadelphia, San Jose, the DC, Maryland and Virginia metro area, and New York City, and our digital platforms. Domestic workers are overwhelmingly women, well over half are women of color, and more than a third are immigrants.<sup>3</sup> As of 2019, domestic workers are more likely than other workers to have been born outside the United States; one in five domestic workers is a foreign-born noncitizen.<sup>4</sup>

Domestic and care workers comprise a growing workforce that has been historically excluded from basic workplace protections, such as minimum wage, overtime, anti-discrimination protections, health and safety, and the right to organize. NDWA has led the movement both at the federal level and in several states to pass legislation to eliminate the exclusions. Unfortunately, the rampant misclassification in the domestic and home care industry undermines these efforts and enables employers to evade minimum wage, overtime, and other labor laws that domestic and home care workers have fought to secure.

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<sup>1</sup> To learn more about NDWA, please visit [domesticworkers.org](https://domesticworkers.org).

<sup>2</sup> Linda Burnham & Nik Theodore, Home Economics: The Invisible and Unregulated World of Domestic Work, pp. 26-28, (2012), available at <https://www.domesticworkers.org/wp-content/uploads/2021/06/HomeEconomicsReport.pdf/>.

<sup>3</sup> Wolfe, J., Kandra, J., & Shierholz, H. (May 2020). *Domestic Workers Chartbook*. Economic Policy Institute. <https://www.epi.org/publication/domestic-workers-chartbook-a-comprehensive-look-at-the-demographics-wages-benefits-and-poverty-rates-of-the-professionals-who-care-for-our-family-members-and-clean-our-homes/>.

<sup>4</sup> Id.

In the home care workforce context alone, the 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>5</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>6</sup> Yet the work is still not valued, receiving extremely low pay, no benefits and limited protections, and rampant misclassification only degrades the quality of the job further.

Many of our home care members across the country – including in Maryland – experience misclassification by the home care agencies that hire and dispatch them to do caregiving for people with disabilities or the elderly. During the pandemic, home care workers risked their lives every single day – their safety and health, and that of their families – to provide essential care. Despite being on the frontlines, home care workers misclassified as independent contractors were left without benefits or a safety net. And most home care workers in Maryland who provide care funded and paid through Maryland’s Medicaid waiver programs continue to receive shamefully low pay. In NDWA’s experience, these workers nearly always earn less than \$15 an hour, and often earn less than \$13 an hour.

Misclassification inflicts the most damage on workers of color and women, such as home care workers, who predominate in the low-paying jobs where independent contractor misclassification is common. All workers who are misclassified suffer from a lack of workplace protections, but women, people of color, and immigrants face unique barriers to economic security and disproportionately must accept low-wage, unsafe, and insecure working conditions.

HB489 takes an important step in the right direction. It will ensure that Medicaid funds only reimburse RSAs who classify home care workers as employees and thus, disincentivize RSAs from misclassifying the home care workers who work for them as independent contractors.

Medicaid-funded work is government-funded work. We should not neglect a workforce that is 90% women and mostly women of color – as it is in Maryland – and ignore poor job quality, low pay and misclassification that cuts workers from the social safety net and denies them benefits like workers’ compensation for this essential workforce. In fact, we should be paying *extra* attention to this workforce, especially on how they are being treated by home care agencies that pay them with the state funds. ***Maryland will never solve the home care workforce crisis – a growing shortage of these essential workers – until it ensures that home care jobs are quality jobs with benefits.***

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. Home care workers deserve good jobs that enable them to provide for themselves and their families.

For these reasons, we wholeheartedly support HB489. 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.

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<sup>5</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>6</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. [https:// www.bls.gov/oes/current/oessrci.htm](https://www.bls.gov/oes/current/oessrci.htm).

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Sincerely,

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