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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 \$13.03¹? 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

¹ <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