



576 Johnsville Road
Sykesville, MD 21784

TO: Joseline Pena-Melnyk, Chair
Health and Government Operations

FROM: LeadingAge Maryland

SUBJECT: Follow-up - House Bill 725, Maryland Medical Assistance Program, Maryland Children's Health Program, and Community First Choice Program - Reimbursement of Service Providers

DATE: March 10, 2023

During the hearing on House Bill 725, Maryland Medical Assistance Program, Maryland Children's Health Program, and Community First Choice Program - Reimbursement of Service Providers, Committee Members requested information on the percentage of COVID relief funds long-term care providers allocated on increasing staff wages.

Skilled nursing and other providers reported on how relief funds were spent as required by Health Resources and Services Administration (HRSA) and by the State. When LeadingAge National asked for this information, HRSA was unwilling to yet share this information.

Below are some figures compiled through gathering feedback from long-term care providers in Maryland. It is also important to note that providers report that, in general, staffing accounts for 70-90% of their overall operating costs. Given this fact, it is safe to assume that a sizable portion of relief funds supported staffing, wages, increasing wages, benefits, bonuses, overtime, and other costs related to labor.

- Providers report that on average, the wages they pay today are 15-19% higher than they were three years ago.
- Providers report spending anywhere between 20-70% of their relief funds on costs related to staffing.

- Some providers did not use relief funds to increase wages, instead increasing wages as part of their operating budget to ensure the increases would be sustainable. Instead of using relief funds to increase wages, some providers opted to provide bonuses to staff.

We will provide additional information when we are able to gather data from HRSA or the State in regards to how providers report allocating relief funds.