



Testimony in Support of HB 725

Maryland Medical Assistance Program, Maryland Children's Health Program, and Community First Choice Program - Reimbursement of Service Providers

Dear Chair Peña-Melnyk and members of the Health, Government, and Appropriations Committee:

My name is Ricarra Jones and I am the political director of 1199 SEIU United Healthcare Workers East in Maryland/DC. 1199 SEIU is the largest healthcare union in the nation, and here in Maryland we have over 10,000 members working in hospitals, long term care settings, and federally qualified health centers. This legislation is foundational to sustainably funding wages and benefits of direct and indirect care workers in long term care. 1199 SEIU supports HB 725 with sponsor amendments.

The COVID pandemic has highlighted existing weaknesses in our health care delivery systems, and nursing homes have proven to be most vulnerable. Our members are on the front lines of our skilled nursing facilities, working every day under dangerous staff shortages, overwhelming workloads, and the devastating emotional toll of watching beloved residents get sick and die. Any solution to address our staffing crisis must include addressing the low wages of this workforce.

HB 725 addresses racial equity. It is long overdue to confront the historic racial and gender inequities in the direct care workforce. The direct care workforce in our nursing homes is overwhelmingly made up of Black Women⁷. We are not only failing to attract new workers to these jobs, but we are also trapping those who are currently in this workforce in poverty.

The workforce crisis is interconnected with the economic stability of the sector. Without enough staff, nursing homes cannot care for as many residents, and the already underfunded health care sector struggles to recover from the COVID-19 pandemic. This legislation addresses the dual workforce and economic crises ultimately threaten access to care for hundreds of thousands of vulnerable, frail seniors.

Medicaid is the primary source of funding for nursing home residents at skilled nursing facilities who take up more 80% of the beds. The American Health Care Association which represents nursing homes across the country released a survey last year with some stark numbers: 98% are experiencing difficulty hiring new staff⁸. 76% said their current financial situation and lack of funding is an obstacle in being able to offer competitive wages to hire new staff⁸. This legislation is a solution in Maryland to support long term care facilities and invest in our care workforce.

22 other states have already implemented a wage passthrough in addition to taking crucial steps to addressing the staffing crisis through wage increases:

Massachusetts has had a program since 2001 with an appropriations bill that set aside money for the sole purpose of funding base hourly wage increases for certified nurse aides at skilled nursing facilities.¹The 2019 version of this bill set aside \$38.3 million to fund wages related to all direct care staff in nursing homes, including CNAs (Certified Nurse Aides), housekeeping, laundry, dietary and activities staff.²

In 2020, in the wake of the pandemic, **New Jersey** released a report outlining key steps that needed to be taken to strengthen the resilience of their nursing homes³. One of the findings of the report was that high staff turnover in nursing homes weakened the quality of care, and the report specified that low wages

drove many of these workers to take multiple jobs, contributing to the turnover. In response, New Jersey increased Medicaid nursing facility rates, with requirements that this additional revenue be spent on wages⁴.

Michigan is also now allowing the nursing facilities certified to participate in Medicaid to request additional reimbursement for their direct care workers⁵. They are one of many states who are using federal dollars released through the American Rescue Plan Act (ARPA) as a launchpad to jumpstart these higher wages. However, their Governor has already stated a commitment to ensuring those wages are permanently funded⁶.

This investment in our long-term care infrastructure is also important to Maryland's unique healthcare system. Maryland is the only state which operates under what is called a Total Cost of Care Model, a unique hospital rate-setting system, overseen by the Health Services Cost Review Commission. While the HSCRC does not have authority over long-term care providers, our Maryland Model demands that care settings outside of our hospitals provide high quality care. In fact, our system's success hinges on the ability of all providers across the spectrum to ensure that we reduce unnecessary hospitalizations. So, we must prioritize long-term care settings such as skilled nursing facilities when we address our healthcare system.

For these reasons, 1199 SEIU urges you to issue a favorable report on HB 725. I am happy to answer any additional questions at ricarra.jones@1199.org

In Unity,

Ricarra Jones
Political Director
1199 SEIU United Healthcare Workers East

¹2001 Bill Text Massachusetts House Bill 4800; §4000-0600 (2001)

²2001 Bill Text Massachusetts House Bill 4800; §4000-0641 (2019)

³<https://www.state.nj.us/ooie/news/div-assets/docs/ManattRecommendations.pdf> 4 New Jersey Department of 3 Human Services, Division of Aging Services, Nursing Facility SFY2021 Rate Increase FAQ, November 6th, 2020, available online at:

⁴New Jersey Department of Human Services, Division of Aging Services, Nursing Facility SFY2021 Rate Increase FAQ, November 6th, 2020, available online at:

<https://www.nj.gov/humanservices/library/slides/NF%20SFY2021%20Rate%20Increase%20FAQ.pdf>

⁵Michigan Department of Health and Human Services, Long-Term Care COVID-19 Plan, Direct Care Workforce, Skilled Nursing Facilities, available online at: https://www.michigan.gov/coronavirus/0,9753,7-406-98178_100722--,00.html

⁶Governor_Whitmer_2021_State_of_the_State_Remarks_as_Prepared_for_Delivery_714535_7.pdf (michigan.gov)

⁷PHI, The Direct Services Workforce in Long-Term Services and Supports in Maryland and the District of Columbia, 2018, available at <http://phinational.org/resource/the-direct-services-workforce-in-ltss-in-md-and-dc/>.

⁸<https://www.ahcancal.org/News-and-Communications/Press-Releases/Pages/Survey-94-Percent-of-Nursing-Homes-Face-Staffing-Shortages.aspx>