



DEPARTMENT OF HEALTH

Wes Moore, Governor · Aruna Miller, Lt. Governor · Laura Herrera Scott, M.D., M.P.H., Secretary

March 1, 2023

The Honorable Joseline Peña-Melnyk
Chair, Health and Government Operations Committee
Room 241, House Office Building
Annapolis, Maryland 21401

RE: HB 725 – Maryland Medical Assistance Program, Maryland Children's Health Program, and Community First Choice Program - Reimbursement of Service Providers – Letter of Opposition

Dear Chair Peña-Melnyk and Committee Members:

The Maryland Department of Health (MDH) respectfully submits this letter of opposition for Senate Bill (HB) 725 – Maryland Medical Assistance Program, Maryland Children's Health Program, and Community First Choice Program - Reimbursement of Service Providers. HB 725 alters the percentage reimbursement rate for providers of nursing home services, medical day care services, private duty nursing services, personal care services, home and community-based services, and services provided through the Community First Choice Program. The bill also requires nursing homes to submit annual cost reports to MDH demonstrating that the rate increase was used to fund wage increases for workers. MDH is to review the reports and act upon non-compliance.

While MDH sets reimbursement rates for the services rendered by Medicaid providers, MDH does not have any role in setting wages or benefits paid to their employees. Enforcement of laws that protect workers' rights fall outside MDH's purview and are subject to oversight by the Maryland Department of Labor. MDH further believes that the mandate requiring agencies to pay a certain hourly rate and report on their compliance would fall outside the scope of its authority and would be subject to oversight by the Maryland Department of Labor.

MDH notes that in situations of non-compliance where lesser sanctions are ineffective and may warrant revocation of nursing home licensure, the Office of Health Care Quality (OHCQ), which oversees nursing home licensure, would be responsible for enforcement.

If you would like to discuss this further, please do not hesitate to contact Megan Peters, Acting Director of Governmental Affairs at megan.peters@maryland.gov or (410) 260-3190.

Sincerely,

Laura Herrera Scott, M.D., M.P.H.
Secretary