



Maryland-National Capital Homecare Association

House Bill 462: *Funding for Wages and Benefits for Nursing Home Workers (Nursing Home Staffing Crisis Funding Act of 2024)*

House Health and Government Operations Committee
February 1, 2024

Position: Letter of Information

On behalf of the Maryland-National Capital Homecare Association (MNCHA), whose members include Medicare-certified home health agencies, personal care providers and durable medical equipment suppliers across the State, we submit this letter of information on House Bill 462. As introduced, this bill provides an eight percent mandatory appropriation for Medicaid providers (i.e., those Medicaid providers that previously received the mandatory four percent) for Fiscal Years 2025, 2026 and 2027. The bill then requires that the nursing homes allocate 75% of each year's increase to increase wages and benefits for employed staff. In reviewing this bill, it is difficult to determine the applicability, given that the title and specific provisions of the bill pertain only to nursing homes, but the funding allocation of eight percent pertain to other Medicaid providers, including private duty companies.

MNCHA cautions on the approach taken by this bill. The providers captured in this bill each have distinct cost and care challenges. However, one common thread is that the COVID-19 pandemic exacerbated current employment hardships within the healthcare workforce. Hiring needs currently outpace the availability of workers. Dramatically increasing wages to the extent required under this bill for staff in nursing homes will create tension in the industry and encourage workers to move out of one sector and into another in search of higher wages. There currently exists a disparity in the wages that can be paid by nursing homes and in home-and-community based settings. Even with the funding increase allocated in this bill, it would still pose challenges in competing with wages and still be able to fund other operational requirements. We request that the State embark on a more comprehensive review of both funding and wage challenges to determine a long-term strategy on how to appropriately fund providers and bolster wages in a fair and equitable manner. Thank you.

For More Information:

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