



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

April 2, 2024

The Honorable Joseline A. Peña-Melnyk
Chair, House Health and Government Operations Committee
241 House Office Building
Annapolis, MD 21401-1991

RE: Senate Bill 371 – Maryland Medical Assistance Program – Personal Care Aides – Wage Reports – Letter of Support as Amended

Dear Chair Peña-Melnyk and Committee Members:

The Maryland Department of Health (Department) respectfully submits this letter of support as amended for Senate Bill (SB) 371 – Maryland Medical Assistance Program – Provider Agencies and Personal Care Aides – Reimbursement and Wage Reports (Homecare Workers Employment Act of 2024). The Department supports bill's requirements related to wage reports and supports the amendments to remove language requiring submission of certain cost reports by residential service agency providers (RSAs) and use of those reports for rate changes and to replace these provisions with certain other reporting requirements.

Currently, Maryland Medicaid has 920 Medicaid enrolled RSAs providing personal assistance services. In FY 2022, The Department reimbursed RSAs \$394,351,407 for personal assistance services provided to 14,230 Medicaid participants. The Department is responsible for determining the overall reimbursement rates for the personal assistance services rendered by RSAs.

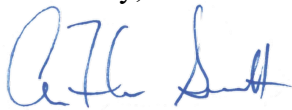
While the Department sets reimbursement rates for the services rendered by Medicaid providers, it does not have any role in setting wages or benefits paid to their employees. Enforcement of laws that protect worker's rights would fall outside the scope of the Department's authority and would be subject to oversight by other state and federal agencies. The Department supports the bill's requirement for RSAs to submit annual reports related to the wage rates of personal care aids to the Maryland Department of Labor beginning September 1, 2025.

The Department also supports the amendments that strike the provisions regarding submission of certain cost reports and related rate increases and replace these requirements with a report due 180 days after the release of the final federal Ensuring Access to Medicaid Services rule. Under the rule proposed by the Centers for Medicare and Medicaid Services (CMS) on May 5, 2023, at least 80% of Medicaid payments for certain HCBS services would be required to be spent on

compensation for direct care workers.¹ As amended, SB 371 will require the Department to report on the process that it will use to review wage reports of personal care aides; and how the data will be used to review Medicaid reimbursement rates as outlined in the final rule.

If you would like to discuss this further, please do not hesitate to contact Sarah Case-Herron, Director of Governmental Affairs at sarah.case-herron@maryland.gov or (410) 260-3190.

Sincerely,

A handwritten signature in blue ink, appearing to read "Laura Herrera Scott".

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

¹ <https://www.federalregister.gov/documents/2023/05/03/2023-08959/medicaid-program-ensuring-access-to-medicare-services>