

NATIONAL DOMESTIC WORKERS ALLIANCE

Comments in Support of SB371

Homecare Workers Employment Act of 2024

Maryland Medical Assistance Program – Provider Agencies and Personal Care Aides – Reimbursement and Wage Reports

Submitted March 29th, 2024

Hearing of the House Health and Government Operations Committee, April 2, 2024

The National Domestic Workers Alliance (“NDWA”) submits this testimony in support of SB371 the **Homecare Workers Employment Act of 2024**.

NDWA is the leading voice for the estimated 2.2 million domestic workers who work as direct care workers, nannies, and house cleaners in private homes providing essential care and supportive services to children, aging adults, and family members with disabilities every day. Founded in 2007, NDWA works to raise wages and strengthen industry standards to ensure that domestic and direct care workers achieve economic security and protection, respect, and dignity in the workplace. NDWA reaches and engages over 400,000 domestic workers on a regular basis through our 68 affiliate organizations in 50 cities and 19 states, our state and local chapters in the DMV (Washington D.C., Virginia & Maryland), North Carolina, Georgia, New York, Houston (TX), San Jose (CA), and Philadelphia (PA) through our digital platforms. While the National Domestic Workers Alliance is a national organization, our DMV chapter is a locally operated, membership-based organization covering the geographical area of Washington DC, Maryland, and Virginia and is staffed by several local organizers.

Care work is the foundation upon which strong economies and societies are built. Care workers- the mostly Black and women of color who do the tremendous labor of caring for our aging and disabled loved ones, who educate and nurture our children, and who care for our homes- are the essential workforce that holds us all together. From birth to end-of-life, we all share the need for care and we must develop an infrastructure that meets the needs of those seeking care AND those providing care. The work of care workers has historically been devalued by society due to longstanding racism and sexism that contributes to the failure to recognize and value caregiving as the essential work it is in our society. It is the goal of the

National Domestic Workers Alliance to make visible the critical work performed primarily by women of color and raise working standards for this workforce.

As the baby-boom population ages and the elderly population grows, the demand for the services of health aides and personal care aides will continue to increase.¹ Over 127,000 residents of Maryland need help with daily activities such as bathing or dressing.² Fifteen percent of the Maryland population over the age of 65 have reported difficulties with activities of daily living (ADLs) or instrumental activities of daily living (IADLs) - and the need only continues to grow.³ In Maryland, the number of older adults was predicted to grow by 75 percent in the 30-year period from 2015 to 2045 - from 837,500 to nearly 1.5 million.⁴ During the same period, the number of adults aged 85 and over will increase by nearly 200 percent. With only 5 percent expected growth among working-age adults, the ratio of working-age adults to those aged 85 and above in the state will shrink from 32:1 in 2015 to just 12:1 by 2045. With anticipated separations and growth, research anticipates 37,000 job openings in the state for personal care aides, by 2028.

Although the number of direct care workers more than doubled from 2.2 million in 2000 to 5.1 million in 2022, the supply of direct care workers will fall short of the demand associated with 8.9 million projected job openings from 2022-2032⁵. Across the country, there is limited data on workforce volume, stability, and compensation. Without adequate data Maryland faces serious challenges to

¹ U.S. Bureau of Labor Statistics (BLS), Division of Occupational Employment Statistics (OES). 2018. May 2007 to May 2017 National Industry-Specific Occupational Employment and Wage Estimates, available at: <https://www.bls.gov/oes/current/oesosci.htm>.

² Paul, Rafal, & Houtenville. 2020. Annual Disability Statistics Compendium: 2020 (Table 1.8). University of New Hampshire, Institute on Disability, available at: https://disabilitycompendium.org/sites/default/files/user-uploads/Events/2021_release_year/Final%20Accessibility%20Compendium%202020%20PDF_2.1.2020reduced.pdf

³ PHI, *The Direct Services Workforce In Long-Term Services And Supports in Maryland and The District Of Columbia*, September 21, 2018, available at:

<http://phinational.org/resource/the-direct-services-workforce-in-ltss-in-md-and-dc/>

⁴Id.

⁵ Bipartisan Policy Center, "Addressing the Direct Care Workforce Shortage: A Bipartisan Call to Action;"

December 2023, available at

<https://bipartisanpolicy.org/event/addressing-the-direct-care-workforce-shortage-a-bipartisan-call-to-action>

understand, mitigate, and prevent direct care workforce challenges.⁶ By requiring that home care agencies that receive Medicaid reimbursement report to the Maryland Department of Labor the rates they pay home care workers, Maryland can take action to ensure that workers receive competitive wages, helping attract, and retain the workforce Maryland needs.

The Center for Medicare and Medicaid Services (CMS) has also recognized that the shortage of direct care workers jeopardizes access to services, and acknowledges that the sufficiency of reimbursement rates as well as wages is necessary to ensure access to care. In its Notice for Proposed Rulemaking (“NPRM”) for “Ensuring Access to Medicaid,” CMS puts forth methods for better analysis of sufficiency of payment rates through transparency, data collection and a dedicated body (the interested parties advisory group) that includes direct care workers to review and develop more informed rate-setting recommendations.

Given that Maryland last did a Medicaid reimbursement rate study for home- and community-based services in 2018, this bill is needed more than ever. The Homecare Worker Employment Act of 2024 would allow Maryland to jumpstart improvement of their own processes by requiring rate studies every two years, with reports to the Senate Finance Committee and the House Health and Government Operations Committee. The rate study will involve interviews with key stakeholders, including providers, and will also examine the cost of ensuring that workers are paid at least 50% more than minimum wage (i.e., \$22.50/hour). These provisions are very similar to those recently passed in New Mexico, as well as the policies of many other states such as Arizona, Maine, Texas, and Indiana⁷.

Though the reimbursement rate is of vital importance, NDWA fully supports the SB371 as amended.

⁶ The Business Monthly, “Absence of data complicates Maryland’s direct care crisis,” Sept 5, 2023, available at:

<https://bizmonthly.com/news/business/health/2023/09/absence-of-The%20Business%20Monthlyd ata-complicates-marylands-direct-care-crisis/>

⁷ New Mexico Advocates Score a Major Win for Direct Support Professionals - PHI, available at:

<https://www.phinational.org/new-mexico-advocates-score-a-major-win-for-direct-support-professionals/>; An Arizona Direct Care Worker Survey Is Driving Innovation - PHI, available at:

<https://www.phinational.org/an-arizona-direct-care-worker-survey-is-driving-innovation/>; Low pay for direct care workers is costing Maine millions, available at:

<https://www.mainepublic.org/health/2023-04-27/low-pay-for-direct-care-workers-is-costing-mainemillions-according-to-report>; Cost and Accountability Report Information | Provider Finance Department, available at:

<https://pfd.hhs.texas.gov/cost-and-accountability-report-information>,

House Bill 1460 - Professional and occupational licensing, available at

<https://iga.in.gov/legislative/2023/bills/house/1460/details>.

Despite the increasing demand and essential nature of home care, the caregiving work of personal care aides is still not valued- workers receive extremely low pay, few benefits and enjoy limited protections. Improving the working conditions for home care workers is critical to address staffing shortages and meet the growing demand for this essential work in Maryland. Data will enable policymakers to make sound decisions to stabilize the workforce in order to ensure both access and better quality of care. As our population ages and the demand for home and community-based services sharply rises, without data-driven policy interventions, Marylanders will be left to fend for themselves and their loved ones.

For these reasons, the National Domestic Workers Alliance (NDWA) fully supports SB371 the Homecare Workers Employment Act of 2024.

Sincerely,

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