

Testimony of Paul Schwartz
January 15, 2025
Senate Budget & Taxation Committee
SB 104 – Caregiver Tax Credit

I am Paul Schwartz on behalf of the National Active & Retired Federal Employees – NARFE

Medicaid is more than a quarter of Maryland's budget

And nursing homes account for a major portion of Medicaid expenditures

Anything that extends the period of home care and delays entrance into nursing homes saves Maryland money

There really is some truth to the saying: "You have to spend money to make money."

This is a prime example of that.

AND you cannot rely on the fiscal note because the fiscal note does NOT reflect the complete cost associated with the bill – any bill – because the Office of Legislative Services does not have the capability to calculate cost savings and incorporate that calculation into the fiscal note

They simply check with the Comptroller's office and take a hard count of lost tax revenue and give you that figure in the fiscal note without factoring in any cost savings by delaying entrance into nursing homes

From the recent valuable report from AARP entitled “Valuing the Invaluable,” we know that in 2021, about 38 million family caregivers in the U.S. provided an estimated 36 billion hours of care to adults with serious or disabling health conditions with the economic value of these unpaid contributions totaling approximately \$600 billion. In Maryland, an estimated 760,000 caregivers provided about 710 million hours of care at an estimated value of \$12.5 billion.

We are experiencing a decline in revenue due in large part to declining population

Let’s keep the care recipient and the caregiver here in Maryland and not watch the caregiver move the care recipient to another state and lose their tax money including sales tax, fuel tax, property tax and state income tax to another more tax friendly state.