



The Arc Maryland
8601 Robert Fulton Dr. 140
Columbia, MD 21046
T 410.571.9320
www.thearcmd.org

Senate Finance Committee

SB 886: Consumer Protection and Labor and Employment – Food Service Facilities and Minimum Wage

Letter of Information

March 9, 2026

The Arc Maryland is the largest statewide advocacy organization dedicated to the rights and quality of lives of children and adults with intellectual and developmental disabilities. **It is critically important that any legislation to increase the minimum wage in Maryland contain a provision for ensuring that Medicaid Providers, who are state contractors and whose rates are set by the state, are made whole and are supported to not only comply with a minimum wage mandate but to be competitive in the labor market to attract and retain qualified workers.**

DDA Community Services (“Provider”) organizations hold contracts with the Maryland Department of Health: Developmental Disabilities Administration to provide Home and Community Based services. Close to 100% of DDA provider organization funding comes from the state of Maryland with Federal matching funds. Unlike other businesses, DDA-licensed Medicaid providers are federally prohibited from passing on cost increases to the people they support.

Prior minimum wage bills that have passed in Maryland included Medicaid provider reimbursement mandates. In both 2014 and 2019 ([Fight for 15](#)), minimum wage legislation included Medicaid community service provider rate increases in an effort to ensure these critical service organizations could keep pace with the annual increases mandated through the minimum wage laws. It is quite surprising, therefore, **this current legislation omits funding mandates to ensure Medicaid providers can keep pace with increases to the state minimum wage.**

It pains us to take no position on this effort as we believe in fair wages, but facing an FY27 budget cut of \$155 million General Funds to Developmental Disabilities services, with no movement to amend the proposed cut to date, leaves us with a valid impression there would be no amendment to this bill to include a mandate for a funding appropriation for Medicaid providers.

Direct Support Professionals (DSPs) are essential healthcare workers who represent the backbone of the community-based service delivery system for people with Intellectual and Developmental Disabilities. They are skilled workers with an array of responsibilities which may include administering medications, supporting people with complex behavioral support plans, and helping people with disabilities to find and keep a job. DSPs play critically important roles in the lives of over 19,000 Marylanders with developmental disabilities such as Down Syndrome, Autism, and Cerebral Palsy. The jobs of DSPs who work with people with developmental disabilities are demanding and require extensive training and commitment. DSPs deserve fair compensation for their valuable work.

For the second year in a row, Developmental Disabilities funding is facing a severe cut. The cuts implemented past year and pondered this year are not accompanied by any decrease in operating or administrative pressures for providers or people who self direct their services. We are being asked to provide the same services and in some cases, do more, with less funding. As the survival of our very systems of support is our highest priority—the systems that employ DSPs and provide care to 19,000 Marylanders— we do not believe it is possible to amend this legislation to create a funding mandate for Medicaid Providers, and therefore we cannot support this legislation.

Sincerely,

Ande Kolp, Executive Director akolp@thearcmd.org