

# Fair Wages and Paid Sick Days Would Promote Access, Quality, and Safety in Home Care

## Position Statement in Support of House Bill 1129

*Given before the House Health Committee*

Long-term care workers are a vital part of the social infrastructure that keeps Maryland going. They provide essential services to aging Marylanders and Marylanders with disabilities, but the state struggles to meet the need for these workers.<sup>i</sup> Demographic change is expected to worsen this shortfall in coming years and decades. Policymakers have taken positive steps to strengthen this workforce in recent years, but we can and should do more. House Bill 1129 would improve long-term care access and quality in Maryland by guaranteeing Medicaid-funded home care workers a \$17 minimum wage and earned sick days. **For these reasons, the Maryland Center on Economic Policy supports House Bill 1129.**

Strengthening Maryland's home care workforce becomes more urgent each day, in light of the state's demographic trends. Maryland's 65+ population grew by 34% from 2014 to 2024, while the 20–64 population slightly declined.<sup>ii</sup> By 2035, our 65+ population is projected to grow by another 23%, compared to only 4% for the 20–64 population.<sup>iii</sup>

Poor wages, benefits, and working conditions are among the top barriers to recruiting and retaining a sufficient long-term care workforce:<sup>iv</sup>

- Home care workers in Maryland typically took home less than \$30,000 in 2023.
- 30% of home care workers had family income less than double the federal poverty line in 2023 (today, \$54,640 for a family of three).
- 47% receive public assistance.
- 40% spend more than 30% of their income on housing.

Higher home care wages would mean better access to care and better quality of care. The gains for workers would also make Maryland's economy more equitable:

- 69% of home care workers in Maryland are Black and 85% are workers of color, as of 2023.
- 84% are women.
- 50% were born outside the United States.
- 34% are raising children.

Moreover, guaranteeing that all home care workers can earn paid sick days is an essential public health measure, as many people who require their services face elevated risks from communicable disease.

House Bill 1129 would keep Maryland on track to comply with the Center on Medicare and Medicaid Services 2024 Ensuring Access to Medicaid Services final rule, which remains in effect. This rule strengthens an array of standards governing Medicaid-funded home care, including wages.

**For these reasons, the Maryland Center on Economic Policy respectfully requests that the House Health Committee make a favorable report on House Bill 1129.**

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## **Equity Impact Analysis: House Bill 1129**

### *Bill summary*

House Bill 1129 would guarantee Medicaid-funded home care workers a \$17 minimum wage and guarantee access to earned sick days regardless of employer size.

### *Background*

Maryland currently faces a shortage of long-term care workers.<sup>v</sup> As the state's population continues to age in coming years, the needs for these services will grow significantly. Absent a substantial increase in the supply of long-term care workers, the shortage will become more severe.

Chapter 881 of 2024 requires that the state reimburse Medicaid-funded home care agencies only if they classify their workers as employees.

Center for Medicare and Medicaid Services Final Rule CMS-2442-F, adopted in April 2024, requires that beginning in 2030, generally 80% of Medicaid payments for homemaker, home health aide, and personal care services be spent on compensation for direct care workers furnishing these services.

### *Equity Implications*

Many home care workers in Maryland face economic hardship:

- Home care workers in Maryland typically took home less than \$30,000 in 2023.
- 30% of home care workers had family income less than double the federal poverty line in 2023 (today, \$54,640 for a family of three).
- 47% receive public assistance.
- 40% spend more than 30% of their income on housing.

Home care workers in Maryland are disproportionately women and workers of color:

- 69% of home care workers in Maryland are Black and 85% are workers of color, as of 2023.
- 84% are women.
- 50% were born outside the United States.

## *Impact*

House Bill 1129 would likely **improve racial, gender, and economic equity** in Maryland.

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i “The Direct Services Workforce in Long-Term Services and Supports in Maryland and the District of Columbia,” PHI, 2018, <https://phinational.org/wp-content/uploads/2018/09/DSWorkers-Maryland-2018-PHI.pdf>

ii MDCEP analysis of IPUMS American Community Survey microdata.

iii MDCEP analysis of Maryland Department of Planning population projections.

iv PHI Workforce Data Center, <https://www.phinational.org/policy-research/workforce-data-center/>

v “The Direct Services Workforce,” 2018.