

NATIONAL DOMESTIC WORKERS ALLIANCE

Comment in Support of HB1129

*Maryland Medical Assistance Program- Provider Agencies- Wages and
Leave for Personal Care Aides
Health Committee*

March 3, 2026

Dear Chair Bagnall and members of the House Health Committee,

The National Domestic Workers Alliance (“NDWA”) submits this testimony in support of HB 1129 - legislation that makes three critical interventions in support of the direct care workforce. First, HB 1129 sets a wage floor of \$17 per hour for all personal care aides (PCAs) employed by Medicaid-funded Residential Service Agencies (RSAs). HB 1129 also extends paid sick and safe leave to all PCAs, regardless of employer size, and makes that sick and safe leave available up front. PCAs would be guaranteed 24 hours of paid sick and safe leave at the beginning of each calendar year, or on their first day of employment. PCAs would then have the ability to accrue 1 hour of leave for every 30 hours worked after working 720 hours within a calendar year. Lastly, HB 1129 ensures Maryland meets requirements outlined in the 2024 CMS (Centers for Medicare and Medicaid Services) Ensuring Access to Medicaid Services Final Rule. This bill directs the Maryland Department of Health to outline the steps necessary to reach a \$20 PCA wage floor and comply with a key provision in CMS rule; that at least 80% of the Medicaid payments they receive for personal care services be spent on worker compensation.

About NDWA

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, South Carolina, Georgia, New York, New Jersey, and Philadelphia (PA), and 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. Direct care workers – the mostly Black and women of color who do the tremendous labor of caring for our aging and disabled loved ones – are the essential workforce that holds us all together. 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 for its enormous contributions to 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.

The Care Crisis

As the baby-boom population ages and the elderly population grows, the demand for the services of home health aides and personal care aides will continue to increase.¹ **Over 123,000 residents of Maryland need help with daily activities** such as bathing or dressing.² In Maryland, the number of older adults is predicted to grow by 75 percent in the 30-year period from 2015 to 2045 – from 837,500 to nearly 1.5 million. During the same period, the number of adults aged 85 and over will increase by nearly 200 percent.³ 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 2028.⁴

Creating a Wage Floor for PCAs who provide care through certain Medicaid programs

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. The ability for job growth in this sector to keep up with the care boom rests in the quality of care jobs available. **Nationally, median home care turnover rates hovered at about 75% in 2024;** an alarming statistic and threat to all stakeholders of in-home long-term services and supports⁵.

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/oesrci.htm>

² Thomas, N., Bach, S., & Houtenville, A. 2025. Annual Disability Statistics Compendium: 2025 (Table 1.8). University of New Hampshire, Institute on Disability, available at: https://www.researchondisability.org/sites/default/files/media/2025-03/pdf-online_full-compendium-with-title-acknowledgement-pages.pdf

³ PHI, *Understanding the Direct Care Workforce*, available at: <https://www.phinational.org/policy-research/key-facts-faq/>

⁴ Id.

⁵ Id.

In order to reverse this trend of attrition and create stability for the direct care workforce, states must take proactive steps to increase wages for workers and access to benefits. Towards this goal, HB 1129 introduces a wage floor for RSA-employed personal care aides whose work is funded through Medicaid programs administered by MDH's Office of Long Term Services and Supports (the bill does not apply to DDA programs). Currently, RSA providers who contract with the Maryland Medical Assistance Program to provide Medicaid home-and-community-based services (HCBS) are reimbursed at \$25.58 per hour for personal assistance services. These services provide aging Marylanders and those with disabilities with help with activities of daily living, like bathing, dressing, and eating, and to remain in their homes.

Although RSA providers receive \$25.58 per hour to deliver in-home services to Medicaid recipients, most are only obligated to pay the state's minimum wage of \$15 per hour (with some beholden to slightly higher minimum wage laws in Prince George's County, and Howard and Montgomery Counties for larger employers). According to the Kaiser Family Foundation, common solutions enacted by states to address the direct care workforce shortage include raising provider payment rates, increasing the state minimum wage, or enacting a wage floor for HCBS.⁶ With Congress's recent passage of H.R.1 and impending cuts to Medicaid on the horizon, raising provider payment rates this fiscal year remains untenable. Maryland can, however, begin to strengthen the foundation for PCAs in Maryland by using current reimbursement rates to set a home care wage floor.

The 2024 final CMS Ensuring Access to Medicaid Services Rule provides the impetus for Maryland and all other states to steward the majority of Medicaid HCBS provider payments towards increasing worker compensation. By 2030, states will need to comply with a provision in the rule that names 80 percent as an appropriate requirement for how much Medicaid dollars must be spent on compensation for direct care workers, essentially capping administrative overhead at 20%. To ramp up and meet these standards, Maryland must act now to direct the usage of public Medicaid dollars for the benefit of direct care workers and the clients they assist.

If we apply the 80/20 standard to Maryland's current rates, we find that a \$17 per hour PCA wage floor is attainable this legislative session. Estimates of employer costs of benefits (unemployment insurance, workers comp, the FAMI program to be enacted in 2028, and guaranteed paid sick leave), plus employer share of payroll taxes calculates to about 20% of an employee's base wage. Total compensation with a \$17 per hour wage

⁶ Burns, A., Mohammed, M., & O'Malley Watts, M. 2023. Payment Rates for Medicaid Home- and Community-Based Services: States' Responses to Workforce Challenges (appendix table 1). KFF, available at: <https://www.kff.org/medicaid/payment-rates-for-medicaid-home-and-community-based-services-states-responses-to-workforce-challenges/#d82b9ee7-c053-48a5-a452-75dc1237db86>

would then come out to \$20.40, just under 80% (79.7%) of the current \$25.58 provider rate. Passing a wage floor this year, then, sets the stage for effective compliance with the looming and ever important federal mandate.

Not only is a \$17 home care wage floor achievable for Maryland personal care aides, but many RSAs are already paying above this floor. Conversations with agency-employed workers and RSA administrators reveal that there is a prevalence of high-road employers that pay \$17 per hour or more. Establishing a true wage floor lifts up the lowest paid and marginalized direct care workers, and will help build the supply of workers to serve the needs of the more than 17,000 Marylanders receiving Medicaid-funded Personal Assistance Services.⁷

A \$17 per hour wage floor for PCAs also allows Maryland to set wages that compete with other industries and neighboring home care markets. In the metropolitan DMV area, Maryland's \$15 minimum wage lags significantly behind D.C.'s \$17.95 per hour. Maryland workers make longer commutes, invest more time into their work day, and sacrifice time with their families to work in D.C. for higher pay. **Direct care workers benefit not only from D.C.'s higher minimum wage, but their worker-forward policies that HB 1129 seeks to emulate.** As of January 1, 2026, the Department of Health Care Finance (D.C.'s lead Medicaid Agency), notified all home health agencies of rate increases to Personal Care Aide Services that included wage pass-through language to raise direct care worker wages to 117.6% of the greater of D.C.'s minimum wage or living wage.⁸ Maryland must urgently follow suit to create more stability for the direct care workforce with a wage floor.

Expanded Paid Sick and Safe Leave

Improving compensation for personal care aides also means increasing access to life-sustaining benefits. Implemented in 2018, the Maryland Working Families Act gave some workers paid sick and safe leave protections. Unfortunately, these same paid sick leave benefits aren't afforded to workers whose employer has 14 or less employees. **A September 2023 information request on RSAs revealed that out of the 376 Medicaid-funded RSAs who completed their reporting requirements, 274 reported having fewer than 14 employees.**⁹ PCAs at these smaller agencies must take unpaid sick time, jeopardizing their own health or that of their clients. In an essential industry like direct care, workers' health is paramount to the functioning of the long-term system. Long denied paid time off and the ability to tend to their care needs, direct care workers must show up to work, regardless of their condition, emergencies at home, or the extreme health risk they

⁷ IPAG. 2025, Dec 2025 Data (Table 5 Unduplicated Service Users by IPAG category)

⁸ Department of Healthcare Finance, 2025. Transmittal 25-35 - PCA Rates Effective January 1, 2026, available at:

<https://dhcf.dc.gov/sites/default/files/dc/sites/dhcf/publication/attachments/Transmittal%2025-35%20-%20PCA%20Rates%20Effective%20January%201%2C%202026%20%281%29.pdf>

⁹ 2023. Completed RSA Certifications and reporting

pose to their clients. HB 1129 disrupts this industry norm and allots 24 hours of paid sick and safe leave to PCAs upon hire, or each beginning of the calendar year. Having a special carve out for PCAs acknowledges the nature of their work, and the flexibility needed to promote the best outcomes for care recipients. NDWA members report often having to go to work with short term illnesses, chronic body pain, or stress from household situations they can't tend to that carries over into their everyday work. Paid sick and safe leave boosts worker retention and brings the ultimate dignity to workers – the ability to care for themselves as they do for others.

Pathway to higher job quality

CMS' final Ensuring Access to Medicaid Services rule formalized what care workers have always known: there is an undeniable link between continuous, high quality care for aging and disabled adults, and the wages and working conditions of the direct care workforce. Many NDWA members and PCAs in Maryland are paid with public Medicaid dollars but earn poverty wages, and must rely on assistance for their own healthcare and food needs. Workers who are themselves aging push beyond the limits of their bodies, work multiple jobs or overtime hours to create a livelihood, and sacrifice higher pay for their passion for care. **In reality, the sacrifices of direct care workers subsidize and prop up our entire long-term care system.** Maryland must take direct action to transform care jobs and affirm their commitment to all care stakeholders. HB 1129 begins to build steadier ground with a \$17 wage floor and paid sick leave benefits, while asking MDH to look ahead and forge a plan to bring PCAs to \$20 per hour in the next few years. Workers can no longer afford solutions that side step real investment into their jobs and lives. **For these reasons, the National Domestic Workers Alliance (NDWA) fully supports HB 1129 and urges you to vote for a favorable report.**

Sincerely,

Allison Yunda
Maryland Lead Organizer
DMV Chapter
National Domestic Workers Alliance (NDWA)
ayunda@domesticworkers.org

Submitted via:

<https://mgaleg.maryland.gov/mgawebsite/MyMGATracking/WitnessSignup>