Maryland
DEPARTMENT OF HEALTH
Wes Moore, Governor · Aruna Miller, Lt. Governor · Meena Seshamani, M.D., Ph.D., Secretary

March 3, 2026

The Honorable Heather Bagnall
Chair, House Health Committee
241 House Office Building
Annapolis, MD 21401-1991

RE: House Bill 1129 – Maryland Medical Assistance Program – Provider Agencies – Wages and Leave for Personal Care Aides – Letter of Information

Dear Chair Bagnall and Committee Members:

The Maryland Department of Health (the Department) respectfully submits this letter of information for House Bill (HB) 1129 – Maryland Medical Assistance Program – Provider Agencies – Wages and Leave for Personal Care Aides.

Effective July 1, 2026, HB 1129 mandates the Department establish a minimum hourly reimbursement rate of $17 for personal care aides under the Maryland Medical Assistance Program (Medical Assistance/ Maryland Medicaid). Provider agencies employing personal care aides must also provide certain sick and safe leave as well as issue a written notice detailing the wage and the rate of pay to each personal care aide. This bill applies only to personal assistance services under Community First Choice, Community Options, Community Personal Assistance Services, and other Home and Community-based Services (HCBS) administered by the Department.

Currently, Maryland Medicaid has 1,247 Medicaid enrolled Residential Service Agencies (RSA) providing personal assistance services. In Fiscal Year (FY) 2025, Medicaid reimbursed RSAs $513 million for personal assistance services provided to 16,151 Medicaid participants. In FY 2025, Maryland Medicaid reimbursed agencies for personal assistance service providers at $25.58 per hour ($6.3962 per 15-minute unit).

The Department further notes that it is currently implementing HCBS cost reports designed to verify that at least 80% of Medicaid personal care payments are used to fund personal care aide compensation. The Department is aligning its timeline with the Ensuring Access to Medicaid Services Final Rule (CMS-2442-F) which mandates full implementation of this requirement by 2030. The recent supplemental budget request includes additional funding to cover the cost of contractors needed to review and analyze the submitted provider agencies' cost reports. The supplemental budget also includes funds for contractors to review and analyze submitted provider cost reports.

Finally, coordination between Maryland Medicaid and the Office of Health Care Quality (OHCQ), which oversees RSA licensure, will be needed to the extent providers remain

non-compliant beyond the specified remediation period if program suspension and RSA licensure revocation are warranted.

If you would like to discuss this further, please do not hesitate to contact Meghan Lynch, Director of Government Affairs at meghan.lynch@maryland.gov.

Sincerely,

Meena Seshamani, M.D., Ph.D.
Secretary of Health