



Dear Committee Members,

I am writing to you on behalf of Advanced Nursing & Home Care, a Level 2 Maryland Residential Service Agency (RSA). We work with Montgomery County on several contracts that provide in-home healthcare assistance to targeted residents as well as through the ARC of Montgomery on the Respite Care Program.

We have been partnering with Montgomery County for 20 years and remain committed to serving the critical needs of residents wishing to remain at home but needing care and help with some or all activities of daily living. We believe that all residents, regardless of their economic situation, deserve quality care and we pride ourselves on delivering this to the community. Whilst direct contracts with the county also offer significant challenges, I would like to focus on the issues facing the vendors of the ARC of Montgomery and the Respite program.

We have been partnering with the ARC since 2014 in providing much needed respite assistance to families that are caring for an aged resident at home. We provide short-term skilled (LPN) and non-skilled (CNA) staff on an as needed basis. Over the last 4 years we have seen significant changes in the marketplace that have dramatically increased costs and will if unaddressed, threaten the future effectiveness of the program. The COVID-19 Pandemic intensified these market changes, and the ensuing wage inflation has resulted in challenges for everyone involved in supporting our communities. I would like to highlight three main areas that I believe are relevant to your funding decisions.

Firstly, the cost of labor, in particular, qualified professional Certified Nursing Assistants, has increased significantly. Since the beginning of 2018, the average cost per hour that we need to offer to attract qualified candidates and staff in these cases has increased 33%. During this time the Montgomery County minimum Living Wage has increased from \$ 15.00 per hour to \$17.65 and will increase to \$ 18.15 in June 2026., a 21% increase. The CNA's that we seek are required to take a 6-week course, at their own expense, to enter an incredible demanding profession, that has stringent oversight and the responsibility for the safety of some of our most vulnerable residents. To attract and retain these candidates we must meet or exceed the competing offers that they have from some of the county's largest employers. The pandemic has dramatically increased this wage pressure, and we must compensate professional caregivers in a meaningful way to retain their services.

Secondly, we operate under the COMAR regulations section 10.07.05. These regulations require our agency to provide skilled oversight of all our caregivers by our clinical staff in every case. Our experienced RN's must consult with the family and patients to determine the appropriate care needed and ensure that the caregiver assigned to the case is trained in the specific skills required. They must continue to oversee the case, coordinate with the family, a physician if necessary and the ARC, to deliver quality care in a safe and effective environment. We fully support the requirements under COMAR and believe strongly that all county residents deserve to receive this level of care. Since the beginning of the pandemic the cost of retaining skilled RNs has increased



dramatically. We are competing against chronically understaffed hospitals and clinics who are offering increasingly lucrative contracts to potential candidates.

Related to this, we believe that the intention of the State Regulations are to guarantee an adequate level of care for home residents. We go above and beyond this and endeavor to deliver exceptional care to all our patients, private, institutional or through the county contracts. To this end the training of our caregivers is essential. Since the beginning of the pandemic, the CNA schools have been operating virtually, and we have noticed that the lack of “hands on training” is a growing issue. As a result, under the direction of our Director of Nursing, we have redoubled our own training courses, provided hands on training both in office and in the field and will be opening our own training center later this year to address the gap between the capabilities of the candidates that come to us and the competence that we demand in the field. All of this comes at a cost. To ensure quality of care, we must ensure that the caregivers are given the training and support necessary.

Finally, I would like to address the added costs related to recruitment and retention. The labor market, for all professions, remains tight and for many the added benefits to base compensation are the incentive that they require to join a particular organization. Most of the caregivers that we work with also work for multiple other agencies and have traditionally been part-time and occasional. To encourage them to accept cases from us, we offer health insurance, bonuses and vacation in addition to sick leave, overtime and other mandated benefits. We are happy to do so, but again the “hidden costs” of employment continue to escalate. The cost per hire in our recruitment department has doubled in the last two years, reflecting the difficulty in finding suitable candidates and our commitment to this process. The cost of staffing these cases continues to rise, particularly as many of the referrals from the ARC are short-term cases and as needed that are the most difficult to fill.

In conclusion, whilst we are committed to serving the community in which we operate, we are facing unprecedented cost escalations. Three years ago, the hourly rate paid to our agency on the county contracts and through the ARC were in line with the private duty rates that we charge. We are now charging on average %40.00 per hour for private duty care, whilst our ARC rate remains locked at \$32.00. In considering the appropriate level of funding for this contract, please take into consideration the amount of time and effort that goes into the recruitment, training, retention and oversight of the cases, as well as the continued need to compensate these frontline caregivers fairly for the amazing work that they do.

Thank you for your consideration of these matters.

*Neil Pain*

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Neil Pain, President/CFO, January 22, 2026