



COMMISSION ON AGING

March 21, 2022

The Honorable Delores Kelley
Chair, Senate Finance Committee
Miller Senate Office Building, 3 East Wing
11 Bladen St., Annapolis, MD 21401

Dear Chairwoman Kelley,

I am writing on behalf of the Montgomery County Commission on Aging in support of SB0863, the Maryland Medical Assistance Program - Personal Care Aides - Reimbursement and Required Wage. The Commission is authorized by the Older Americans Act, P.L. 116-131, and was established by Montgomery County in 1974 to advise County government on the needs, interests, and issues of older adult residents, and to advocate on their behalf at the local, state and national levels.

SB0863 has two important components. First, it would require the Maryland Department of Health (MDH) to increase the reimbursement rate for personal care services provided under Medicaid long-term services and supports by 15%. This reimbursement pays for help with activities of daily living which are critically important to assist individuals to remain in their homes with quality care rather than to be forced to move to facility-based care. Second, by July 1, 2023, a provider agency must pay a personal care aide who provides long-term services and supports to Medicaid recipients a wage of at least \$16 per hour.

These two components recognize the need to increase Medicaid reimbursement to the providers of home care services and also acknowledge the imperative to increase the wages of the home care workforce. These increases are an essential step toward (1) addressing the shortage of personal care aides throughout the state; (2) supporting residents' strong preference for "aging in place"; and (3) ensuring that the home health workforce is compensated fairly and adequately.

It is projected that this bill would increase Medicaid expenditures by \$65.9 million, half of which would be borne by the federal government, the other half by the State. The Commission believes this is a worthy and necessary expenditure that is justified in several important ways. There is a critical need to address shortages in the home health workforce area. From 2014 to 2024, Maryland will need nearly 40 percent more direct services workers.¹ People want and should be helped to remain in their homes for as long as it is possible. In the long run, the State likely will save money by keeping people out of nursing homes. Furthermore, this bill addresses social justice concerns. Direct services workers in Maryland earn a median hourly wage of \$13.03 and have a median annual income of \$22,700. The Commission on Aging strongly supports paying home healthcare workers a living wage

The Commission respectfully urges you and your committee colleagues to give SB0863 favorable consideration.

Sincerely,

Barbara Selter

Barbara Selter, Chair

¹ PHI, The Direct Services Workforce in Long-term Services and Supports in Maryland and the District of Columbia, September 21, 2018