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February 26, 2020

The Honorable Guy Guzzone
Chair, Senate Budget and Taxation Committee
Maryland General Assembly
3 West Miller Senate Office Building
11 Bladen Street
Annapolis, MD 21401

The Honorable Jim Rosapepe
Vice Chair, Senate Budget and Taxation Committee
Maryland General Assembly
101 James Senate Office Building
11 Bladen Street
Annapolis, MD 21401

Re: Support for Amendments to S.B. 192, the Budget Reconciliation and Financing Act of 2020, to Restore a 4% Reimbursement Rate Increase for Medicaid Providers

Dear Chairman Guzzone, Vice Chairman Rosapepe, and distinguished members of the Committee:

My name is Collan Rosier and I am the Director of Government Affairs at Maxim Healthcare Services, Inc. ("Maxim"). Maxim is a national provider of home healthcare, homecare, and medical staffing solutions. Based in Columbia, Maryland, we provide services via offices in Towson, Millersville, Silver Spring, and Frederick which employ 1,000 caregivers serving 670 patients throughout the State of Maryland, primarily private duty nursing (PDN) services. Private duty nursing is skilled nursing care provided in the home for medically-complex and vulnerable patient populations under Medicaid, many of whom require assistive technology such as ventilators and tracheostomies to sustain life. We are also members of The Maryland-National Capital Homecare Association (MNCHA), which is the trade association for home health and homecare providers in Maryland and the District of Columbia.

I am writing to urge the Committee and the General Assembly to restore the full 4% annual reimbursement rate increase for providers under the Maryland Department of Health (MDH) Medical Care Programs Administration (MCPA). Currently, S.B. 192, the Budget Reconciliation and Financing Act of 2020 at Article – Health – General 7–307(d)(2) includes only a 2% Medicaid reimbursement rate increase instead of 4%. Doing so will enable homecare providers to better accomplish two priorities.

First, it will assist homecare providers in improving quality while containing healthcare costs. The cost of sixteen hours of PDN services is only a fraction the cost of a day in the hospital. Through reductions in avoidable hospital utilization, homecare providers keep people in their homes and communities—where they overwhelmingly prefer to be—and with appropriate skilled care support. This provides cost savings by rebalancing the state's long-term care financing toward home and community-based services (HCBS) rather than more costly facilities or institutional settings.

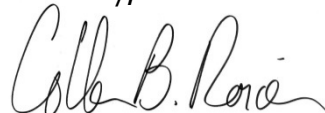
Second, non-competitive reimbursement rates for Medicaid providers, including those who administer PDN services, result in workforce challenges. These include increased overtime for caregivers and difficulty in finding qualified caregivers because reimbursement rates have fallen behind increases in the Consumer Price Index (CPI) as well as wages from other employers and settings such as hospital nurses. Providers' challenges in attracting caregivers can result in an insufficiently-sized workforce with the appropriate sophisticated skill levels to care for this highly complex population in the home. This can cause authorized service hours to go unfilled as patients are forced to seek out care in more expensive institutional settings.

Non-competitive wages and caregiver burnout exacerbate ever-growing recruitment and training challenges and result in increased turnover in our nursing staff—a problem that is endemic throughout healthcare. Furthermore, low reimbursement rates do not meet providers' operational expenses, nor allow providers to compete in the labor market. Increasing Medicaid reimbursement rates will allow providers to recruit and retain quality employees by providing more competitive wages to attract the most qualified caregivers for complex and high-acuity adults and children.

The proposed rate increase would reflect appropriate increases to account for changes in the cost of providing services and allow providers to offer more competitive wages, comply with federal and state mandates, adequately pay for medical supplies and equipment used for patient and client care, and afford expenditures such as rent, utilities, electronic health records systems, professional liability insurance, and health insurance for staff—all of which we as homecare providers struggle to meet here in Maryland.

Thank you for your continuous support of homecare and private duty nursing services as well as for considering my request on behalf of Maxim Healthcare Services. If you have any questions, please feel free to contact me at 410-910-1467 or corosier@maxhealth.com. I would also like to offer to have you accompany one of our caregivers on a homecare visit of one of your constituents so that you can learn more about the delivery of Medicaid homecare services in your district.

Sincerely,



Collan B. Rosier

Director of Government Affairs

cc: Members, Senate Budget and Taxation Committee