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March 10, 2020

**HB 1415 – Support**  
**Health Facilities - Residential Service Agencies - Compliance with State Labor Laws**

Chairman Davis, Vice Chair Dumais and Economic Matters Committee Members,

As amended, HB 1448 directs the Office of the Attorney General, in consultation with Maryland Department of Health and Department of Labor, License and Regulation to develop, distribute to and request confirmation of receipt from Residential Service Agencies (RSA) and compliance with a three-page, plain-language guidance document that conveys accurate information for determining when employees are appropriately classified as independent contractors. Wage theft is a significant problem and, largely because of the unique nature of the job responsibilities and on- and off-site locations in which direct care workers perform their duties, employees in this industry are among the most at risk. Additionally, federal classification and Maryland employment law and guidelines are confusing and often difficult to apply to specific situations. By improving understanding of the applicable laws, resources available for ensuring compliance when questions exist, and requiring that RSAs acknowledge understanding and compliance, we hope to decrease the incidence of employee misclassification by RSAs and identify any deliberate bad actors. The licensing revocation provision are removed.

Maryland has 1,351 RSAs licensed by the Department of Health to provide home care services through Medicaid. They are mostly small businesses. Misclassification of waged employees as independent contractors, whether inadvertent or deliberate, puts them at risk for lawsuits over unpaid wages and bills for unpaid state and federal taxes. Misclassification also hurts personal care aides who, as minimal or low wage earners, are both financial vulnerable and in a poor position to challenge or protest compensation theft suspicions such as loss of overtime pay and workers' compensation.

HB 1448 helps to correct these inequities and support both the RSAs and their employees. I urge a favorable report of the amendments and the bill.

A handwritten signature in black ink, appearing to read 'Terri Hill'.

Terri Hill, M.D.