



Managed by LifeSpan



TO: The Honorable Guy Guzzone, Chair
Members, Senate Budget and Taxation Committee
The Honorable Jim Rosapepe

FROM: Danna L. Kauffman
Pamela Metz Kasemeyer

DATE: March 9, 2022

RE: **OPPOSE** – Senate Bill 761 – *Funding for Wage Increases for Medical Provider Workers*

On behalf of the LifeSpan Network, the Maryland Association of Adult Day Services, and the Maryland-National Capital Homecare Association, we respectfully **oppose** Senate Bill 761. Senate Bill 761 requires that the 4% rate increase included in the minimum wage legislation be used exclusively to increase worker's wages. This bill applies to nursing homes, medical adult day care centers, residential service agencies, and providers under the Community Options Waiver.

The 4% increase was included in the legislation to offset the increases to minimum wage. However, it has now become the maximum percentage for increases and does not account for the actual cost to provide care. The COVID-19 pandemic has exacerbated the underfunding shortfalls of the provider community. Because of market factors, wages are already increasing. In addition, the workforce shortage is necessitating the use of expensive temporary nursing staffing agencies. This bill fails to recognize providers who have already raised their wages in response to market factors.

More importantly, this budgetary constraint would have a detrimental effect on the provision of services to residents and clients. Providers, just like everyone, are facing inflationary costs. If the rate increases cannot be used for temporary nursing staffing agencies, food, gas, or other increasing costs, providers will have no recourse but to cut services. For many providers, this may not be an option and may cause them to close, which would negatively affect access to services. For example, there are some jurisdictions that only have one medical adult day center. If that center is unable to continue to provide services because funding is even more limited, individuals in that area will not have access to any medical adult day services.

With the limited resources made available through Medicaid, providing livable wages while also providing quality services for residents and clients is a delicate budgetary balance. The blanket restrictions in this bill do not take that into account. The better approach is to properly fund the Medicaid program to ensure that the budget accounts for the cost to provide care and that it enables providers to pay an appropriate wage. For these reasons, we request an unfavorable vote.

For more information call:

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