

Maryland Medicaid Wage Pass-Through Act

Sponsors: Delegate Young & Senator Rosapepe

SB 761

Chronic understaffing and low wages have created a staffing crisis in Maryland's nursing homes. The Maryland Medicaid Wage Pass-Through Act would increase Medicaid medical care provider reimbursement rates by 4% and allow for the increase to be strictly designated for worker wages and benefits.

Problem: Chronic understaffing and low wages have created a staffing crisis in Maryland's nursing homes.

- The 2020 median hourly wage for nursing assistants in Maryland was just \$15.22/hour.¹ Staffing shortages are expected to grow as workers can find better pay in other industries.
- The staffing crisis in nursing homes is not new. In 2018, two years before the COVID-19 pandemic, PHI projected the need for a 40% increase in direct care staff to address the needs of Maryland's aging population.²
- The COVID-19 pandemic has exacerbated this crisis, as nursing home workers risk their lives to care for an ever-increasing number of patients.
- Caregivers struggle to provide the standard of care that attracted them to the job, and they struggle to care for their own families on unlivable wages.
- These impossible conditions have driven dedicated caregivers to leave the jobs they love and have prevented new caregivers from entering the field.

Solution: A Medicaid rate reimbursement increase with a wage pass-through is the most direct way to address the severe nursing home staff shortage that Maryland is facing today.

- New research from organizations such as Leading Age finds that creating living wage requirements for direct care workers would relieve staffing shortages and lower turnover rates to improve quality of care.³
- Medicaid rate reimbursements to providers have increased,⁴ but those increases have not translated into livable wages for the frontline workers who are necessary to providing the care.
- States such as New Jersey⁵ and Connecticut⁶ have already enacted Medicaid wage-pass through programs to alleviate the staffing crisis in their nursing homes.

¹ https://www.bls.gov/oes/current/oes_md.htm#31-0000

² [DSWorkers-Maryland-2018-PHI \(1\).pdf](https://www.itsscenter.org/wp-content/uploads/2020/09/Making-Care-Work-Pay-Report-FINAL.pdf)

³ <https://www.itsscenter.org/wp-content/uploads/2020/09/Making-Care-Work-Pay-Report-FINAL.pdf>

⁴ <https://health.maryland.gov/mmcp/Documents/MEDICAID%20PROVIDER%20RATE%20CHANGES%20FROM%20JANUARY%201%202021.pdf>

⁵ <https://nj.gov/humanservices/library/slides/NF%20SFY2021%20Rate%20Increase%20FAQ.pdf>

⁶ <https://portal.ct.gov/Office-of-the-Governor/News/Press-Releases/2020/04-2020/Governor-Lamont-Announces-Extensive-Measures-to-Support-Connecticuts-Long-Term-Care-Facilities>

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