

Good morning,

My name is Erica Clifton, and I am speaking on behalf of Chesapeake Home Health Care, a Maryland-based provider serving medically fragile children, adults, and seniors across multiple counties. We respectfully submit this testimony in strong support of increasing the reimbursement rate for Level I respite services.

Level I respite is not a supplemental service, it is a critical lifeline for families who provide daily, hands-on care to individuals with complex medical and behavioral needs. In Maryland's home- and community-based care system, respite services are essential to maintaining caregiver stability, preventing burnout, and avoiding higher-cost institutional care.

However, current reimbursement rates for Level I respite do not reflect today's workforce realities or the true cost of delivering care.

Across Maryland, the direct care workforce is under significant strain. Data from PHI National indicates that direct care workers in Maryland earn a median wage of approximately \$16–\$18 per hour, while facing turnover rates that often exceed 40% annually. At the same time, competing employers—including hospitals, staffing agencies, and even retail sectors, offer comparable or higher wages with fewer demands.

Because Level I, despite services are reimbursed at a lower rate than other Medicaid-funded services, agencies are limited in their ability to:

- Offer competitive wages
- Provide consistent hours to staff
- Recruit and retain qualified caregivers

This creates a direct and unavoidable impact on service delivery.

From a provider perspective, low reimbursement rates result in:

- Difficulty staffing respite cases consistently
- Increased administrative costs that are not offset by revenue
- Reduced capacity to accept or sustain respite service authorizations

From a workforce perspective:

- Caregivers are less likely to accept low-hour, lower-paying respite assignments
- Staff migrate to higher-paying service lines or leave the field entirely
- Continuity of care is disrupted due to turnover and scheduling instability

Most importantly, from the perspective of Maryland families:

- Respite services become inconsistent or unavailable
- Caregivers are forced to choose between employment and caregiving responsibilities
- Physical, emotional, and financial strain increases significantly

- The risk of hospitalization or institutional placement rises when caregiver support is insufficient

The intent of Maryland's home- and community-based services is to keep individuals safely in their homes and communities. However, without adequate reimbursement for respite services, that goal becomes increasingly difficult to achieve.

Investing in higher Level I respite reimbursement rates is not only a workforce solution—it is a cost-avoidance strategy. Strengthening respite services:

- Supports caregiver stability and workforce participation
- Reduces reliance on emergency and institutional care
- Improves outcomes for individuals receiving services
- Enhances provider capacity and system reliability

We urge Maryland to align Level I respite reimbursement rates with current labor market conditions and the true cost of care delivery. Doing so will strengthen the direct care workforce, improve access to services, and better support the families who rely on this critical program every day.

Thank you for your time and consideration.

Erica Clifton

President & CEO