

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE
Revised

Senate Bill 698 (Senator Teitelbaum. *et al.*)

Finance

Nursing Homes - Quality of Care Oversight

This bill establishes a 20-member Oversight Committee on the Quality of Care in Nursing Homes, chaired by the Secretary of the Department of Aging.

The bill sunsets on December 31, 2005.

Fiscal Summary

State Effect: Staffing for the committee could be handled with the existing resources of the Department of Aging, the Department of Health and Mental Hygiene (DHMH), and the Department of Legislative Services. Costs associated with the reporting requirements are assumed to be minimal and could be handled with existing DHMH resources. Revenues would not be affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The committee must monitor and evaluate implementation of the recommendations of the Task Force on Quality of Care in Nursing Facilities, created pursuant to Chapters 382 and 383 of 1999, as well as the progress in improving nursing home care quality statewide. The Office of Health Care Quality in DHMH must submit a report to the oversight committee twice annually (March 1 and September 1) on the implementation of the task force's recommendations and the status of quality of care in nursing homes. In addition, DHMH must submit an annual report to the committee on the status of the Medicaid nursing home reimbursement system, including: (1) elements of the existing

methodology that are no longer relevant; (2) elements of the existing methodology that can be revised; (3) the appropriateness of redesigning the system given changing demographics of the target population; and (4) general fund and federal fund savings from a system redesign that may be redirected to nursing home staff development in the nursing cost center.

The oversight committee must review the reports and develop recommendations to continue improvement in nursing home care, and report its findings and recommendations to the Governor and the General Assembly on or before December 1 of each year.

The Department of Aging, with assistance from DHMH and the Department of Legislative Services, will provide staff support for the oversight committee.

Current Law: Chapters 382 and 383 of 1999 established a Task Force on the Quality of Care in Maryland Nursing Facilities, but there are no provisions for an oversight committee.

Background: The Task Force on the Quality of Care in Maryland Nursing Facilities issued its report to the Governor and the General Assembly in December 1999, with the following findings: (1) nursing home residents have more complex and acute medical needs than in previous decades; (2) personal care needs of residents are not being met and there has been a decline in the quality of care in Maryland's nursing homes; (3) nursing assistants provide most of the care in nursing homes and are paid poorly, resulting in large turnover and continued staff shortages; (4) the federal Balanced Budget Act of 1997 reduced federal Medicare reimbursement to nursing homes; (5) the 1998 federal Nursing Home Initiatives had a major, detrimental, impact on Maryland's regulatory system, compounded by DHMH's difficulty in recruiting qualified survey staff; (6) DHMH has made complaint investigation a higher priority as directed by the Health Care Financing Administration; (7) State licensure laws for enforcing action against nursing homes with poor quality of care are not effective; (8) nursing homes are not practicing internal health quality assurance; (9) advocacy efforts on the behalf of nursing home residents are underfunded and need to be strengthened; and (10) councils of residents' family members can be a valuable source of advocacy for residents if they operate independently of nursing home administration.

This bill implements the task force's recommendation that it be continued as an oversight committee to monitor the progress on the implementation of its recommendations.

Additional Information

Prior Introductions: None.

Cross File: HB 748 (Delegate Hammen, *et al.*) - Environmental Matters.

Information Source(s): *Report of the Task Force on Quality of Care in Maryland Nursing Facilities* (December 1999), Department of Aging, Department of Health and Mental Hygiene (Office of Health Care Quality), Department of Legislative Services

Fiscal Note History: First Reader - February 21, 2000
mld/jr Revised - Senate Third Reader - March 24, 2000
Revised - Enrolled Bill - May 8, 2000

Analysis by: Susan D. John

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510