

Department of Legislative Services  
Maryland General Assembly  
2010 Session

**FISCAL AND POLICY NOTE**

House Bill 137 (The Speaker)(By Request - Department of Legislative Services)

Health and Government Operations

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**State Board of Examiners of Nursing Home Administrators - Sunset Extension and Program Evaluation**

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This bill extends the termination date for the State Board of Examiners of Nursing Home Administrators by four years to July 1, 2017, and requires an evaluation of the board by July 1, 2016. The bill includes a related reporting requirement.

The bill takes effect July 1, 2010.

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**Fiscal Summary**

**State Effect:** General fund revenues and expenditures for the board are maintained beyond FY 2013. The Governor's proposed FY 2011 budget includes \$470,403 for board operations. The bill's reporting requirement can be handled with existing budgeted resources.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law/Background:** Federal law requires that both nursing homes and nursing home administrators in all states be regulated. In Maryland, about 230 nursing homes are licensed and regulated by the Office of Health Care Quality in the Department of Health and Mental Hygiene (DHMH). Nursing home administrators, those individuals

responsible for the daily management of nursing homes, are licensed and regulated by the State Board of Examiners of Nursing Home Administrators.

The board was created by the General Assembly in 1970 and is under the direction of the Office of the Secretary of Health and Mental Hygiene. Federal regulations require the board to develop, impose, and enforce licensure standards; develop and apply appropriate techniques for applicants for licensure and investigation of credentials; issue, deny, suspend, or revoke licenses, as appropriate; investigate and take appropriate action with respect to any complaint; and conduct a continuing study and investigation of nursing homes and administrators to improve licensing standards and enforcement of those standards (42 USC 1396(g) and *Code of Federal Regulations*, § 431.700-715).

The board is one of approximately 70 entities currently subject to periodic evaluation under the Maryland Program Evaluation Act. The Act establishes a process better known as “sunset review” as most agencies evaluated are also subject to termination, including the State Board of Nursing Home Administrators which is scheduled to terminate July 1, 2013. The sunset review process begins with a preliminary evaluation conducted by the Department of Legislative Services (DLS) on behalf of the Legislative Policy Committee (LPC). LPC decides whether to waive an agency from further (or full) evaluation. If waived, legislation to reauthorize the agency typically is enacted. Otherwise, a full evaluation usually is undertaken the following year.

A preliminary sunset evaluation conducted by DLS in 2009 found that the board generally functions well to fulfill federally mandated requirements. Therefore, DLS recommended that the board be waived from full evaluation and that legislation be enacted to extend the board’s termination date by four years to July 1, 2017. DLS also found that, while the board has experienced some difficulties in completing complaint investigations, the hiring of a shared investigator has enabled some outstanding complaints to move closer to resolution. Also, the board has begun to make changes to improve its training, licensure, and disciplinary processes through regulations, though changes are not yet final. Even so, the board continues to face additional challenges noted in a 2001 sunset evaluation such as not generating sufficient revenues to cover expenditures; however, this is likely to continue even if fee increase proposed by the board are implemented. Furthermore, the board has been slow to implement several of the recommendations included in past sunset evaluations and other reports. Thus, DLS recommended the board be extended for only four years and submit a report by October 1, 2011, on its plans to address these concerns. This bill implements those recommendations, as adopted by LPC at its December 15, 2009 meeting.

## Additional Information

**Prior Introductions:** None.

**Cross File:** SB 144 (The President) (By Request - Department of Legislative Services) - Finance.

**Information Source(s):** Department of Health and Mental Hygiene, Department of Legislative Services

**Fiscal Note History:** First Reader - January 25, 2010  
ncs/mcr

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