

Department of Legislative Services
 Maryland General Assembly
 2020 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 897 (Senator Hester)
 Finance

Maryland Department of Health - Residential Service Agencies - Training Requirements

This bill requires each residential service agency (RSA) to ensure that, within 45 days after an individual’s start of employment, direct care and supervisory staff receive six hours of online or in-person training on dementia. An RSA must also ensure staff receive four hours of online or in-person continuing education training regarding dementia each calendar year. The Maryland Department of Health (MDH) must provide each RSA a list of training programs that provide the required training – to ensure training reflects evidence-based practice in the care and treatment of individuals experiencing Alzheimer’s disease or related dementia. Staff already employed by an RSA who have not received equivalent training must complete the six-hour training by December 31, 2020.

Fiscal Summary

State Effect: General fund expenditures increase by \$724,100 in FY 2021 for staff and related expenses to evaluate and approve training programs. Medicaid expenditures increase by \$418,900 (50% general funds, 50% federal funds) in FY 2021 to account for the new training requirements; federal matching revenues increase accordingly. Future years reflect annualization and ongoing costs. **This bill increases the cost of an entitlement program beginning in FY 2021.**

(in dollars)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
FF Revenue	\$209,400	\$418,900	\$418,900	\$418,900	\$418,900
GF Expenditure	\$933,600	\$1,226,800	\$1,249,100	\$1,276,300	\$1,304,400
FF Expenditure	\$209,400	\$418,900	\$418,900	\$418,900	\$418,900
Net Effect	(\$933,600)	(\$1,226,800)	(\$1,249,100)	(\$1,276,300)	(\$1,304,400)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: The bill is not anticipated to effect local government finances.

Small Business Effect: Meaningful.

Analysis

Bill Summary: The individual providing training must meet specified qualifications, including having completed at least the same training as required under the bill and must issue a certificate of completion to each individual who completes the training. An RSA may not require certain individuals to complete the initial or continuing education training; specifically, an individual who has provided dementia-related direct care or supervisory services for at least 24 consecutive months before beginning employment with the RSA is exempt (presumably for only the initial training and the first required continuing education).

Current Law: MDH must adopt regulations that set standards for the care, treatment, health, safety, welfare, and comfort of individuals who receive home health care services through an RSA. The regulations must provide for the licensing of RSAs. The regulations must include provisions that (1) provide for the establishment of RSAs; (2) establish qualifications for licensure; (3) set minimum standards for individuals who provide home health care services through an RSA; and (4) require an RSA to screen and verify the character references of all home health care providers employed by the RSA.

An RSA must ensure that individuals that are referred are trained appropriately to provide care that is needed by the agency's clients. At a minimum, training for individuals providing care in clients' homes must include:

- instruction and supervised practice in relevant personal care services of the sick or disabled at home;
- identification of situations that require referral to a registered nurse, including significant changes in a client's condition;
- record keeping;
- ethical behavior and confidentiality of information;
- cardiopulmonary resuscitation;
- standard precautions for infection control; and
- prevention of abuse and neglect.

Background: An RSA is an agency that provides supportive home care services, such as assistance with activities of daily living, housekeeping services, and some nursing services. An RSA may also provide one or more home care services or medical equipment (*e.g.*, oxygen, wheelchairs, walkers, and hospital beds). RSAs are licensed by the Office of Health Care Quality (OHCQ) in MDH. As of February 2020, 1,351 RSAs were licensed in the State.

State Fiscal Effect:

Personnel Costs for the Office of Health Care Quality

The bill requires an RSA to have three separate training programs in place: (1) a six-hour course for direct care staff; (2) a six-hour course for supervisory staff; and (3) a four-hour course for direct care or supervisory staff for annual continuing education. MDH is required to provide a list of training programs to ensure that the training reflects evidence-based practice in the care and treatment of individuals experiencing Alzheimer’s disease or related dementia. In order to ensure that each of these training programs meets the requirements of the bill, OHCQ must review the curriculum, determine if the trainer has adequate credentials, and attend each program to ensure requirements are met. This reflects the same process followed by the health occupations boards and the Maryland Higher Education Commission in reviewing other training programs. Based on current practice, OHCQ anticipates that 40% of the 1,351 licensed RSAs (540) will develop their own training programs (90% of which will be in-person trainings) and an additional 20 vendors will submit programs for review (50% of which will be in-person trainings).

Thus, OHCQ general fund expenditures increase by \$724,121 in fiscal 2021, which accounts for the bill’s October 1, 2020 effective date and the need for the six-hour training to be provided to staff already employed by RSAs by year-end. This estimate reflects the cost of hiring seven nursing instructors, one nursing program consultant, and one administrative officer to review training program curriculums, determine if trainers have adequate credentials, attend each in-person training program, and review each online training program to ensure requirements are met. The estimate assumes the initial focus is on six-hour training courses, which are required when the bill takes effect; the four-hour continuing education course is not needed until the end of calendar 2021. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses, including travel. Due to the high number of new entrants into the RSA market annually and anticipated changes in evidence-based practices and available training programs, these costs are ongoing.

Positions	9
Salaries and Fringe Benefits	\$587,332
State Vehicles	51,675
Travel	23,625
One-time Start-up Expenses	44,010
Ongoing Operating Expenses	<u>17,479</u>
Total FY 2021 State Expenditures	\$724,121

Future year expenditures reflect full salaries with annual increases and employee turnover and ongoing operating expenses.

Medicaid Impact

Medicaid advises that it sets actuarially sound rates for RSAs and their providers on an annual basis and the current rate methodology is inclusive of existing RSA provider training requirements delineated in regulation. Medicaid further advises that, based on an analysis of RSA provider rates and Medicaid beneficiary utilization data, MDH estimates an approximate increase in RSA provider rates of \$0.25 per hourly unit to account for the new requirements. Thus, Medicaid expenditures increase by an estimated \$418,859 (50% general funds, 50% federal funds) in fiscal 2021, which assumes a rate increase is provided effective January 1, 2021. Thereafter, the annual cost of the rate increase is \$837,719.

Small Business Effect: Small business RSAs must comply with the new training requirements under the bill. RSAs cannot meet the requirement to train existing staff by year-end 2020 or, at least initially, ensure new staff receive training within 45 days of their start date. To the extent Medicaid rates increase under the bill, revenues for small business RSAs increase to account for new training requirements.

Additional Comments: It is unclear how the trainers can meet the bill's requirements for having completed, at a minimum, the training required under the bill before the training has been developed. This analysis assumes trainers have had equivalent training as part of their expertise and experience. Moreover, the requirement for RSAs to train existing staff (by year-end 2020) and new staff within 45 days of their start date does not allow for the training to be developed, approved by MDH, and provided; RSAs cannot comply with the bill's timeframes for training existing staff or, at least initially, new employees.

Additional Information

Prior Introductions: None.

Designated Cross File: HB 1168 (Delegate Sample-Hughes, *et al.*) - Health and Government Operations.

Information Source(s): Maryland Department of Aging; Maryland Department of Health; Department of Legislative Services

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