



**TESTIMONY BEFORE THE
HOUSE HEALTH AND GOVERNMENT OPERATIONS COMMITTEE**

House Bill 977: Workgroup to Study Long-Term Care Medicaid Eligibility and Payments to Providers
Written Testimony Only

POSITION: SUPPORT

On behalf of the members of the Health Facilities Association of Maryland (HFAM), we appreciate the opportunity to express our support for House Bill 977. HFAM represents over 170 skilled nursing centers and assisted living communities in Maryland, as well as nearly 80 associate businesses that offer products and services to healthcare providers. Our members provide services and employ individuals in nearly every jurisdiction in the state.

HFAM members provide the majority of post-acute and long-term care to Marylanders in need: 6.2 million days of care across all payer sources annually, including more than four million Medicaid days of care and more than one million Medicare days of care. Thousands of Marylanders across the state depend on the high-quality services that our skilled nursing and rehabilitation centers offer every day.

House Bill 977 would create a workgroup to identify issues regarding Long-Term Care (LTC) Medicaid eligibility determinations and payments to providers and to make recommendations to improve the policies and procedures of the current system. We support this legislation because there has been a crisis in the Long-Term Care Medicaid eligibility system for decades.

The longstanding eligibility determination and payment problems have resulted not only in delayed or denied payments to skilled nursing and rehabilitation centers that provide quality care to Marylanders in need, but more importantly, have created barriers to access to quality care and placed unnecessary stress and burdens on residents and their families during already difficult times.

The eligibility system is inefficient and inconsistent across the state in part because of an overlap in state agencies that are responsible for the eligibility system. The Maryland Department of Health (MDH) develops policy and oversees LTC Medicaid payments to providers; the Maryland Department of Human Services (DHS) oversees local departments of social services and is responsible for making eligibility determinations.

The process for determining eligibility for LTC Medicaid requires a substantial volume of information, which can be difficult for vulnerable applicants and their families to provide. To make matters worse, caseworkers in charge of determining eligibility are often overburdened with an extremely high volume of cases, there is high turnover, and policies are inconsistently applied across jurisdictions.

Once eligibility is determined by DHS, there are often problems with providers being reimbursed for the care that they provide to Marylanders in need. HFAM has received increasing concerns from providers regarding the problematic LTC Medicaid billing claims that result from system or process errors and are sent for processing in the Problems Resolution Unit (PRU) of the Maryland Department of Health.

Skilled nursing and rehabilitation centers have long provided quality care while waiting months for millions of dollars in payments for care already provided. These centers depend on being reimbursed for services in a reasonable time frame to ensure cash flow to pay employees, make building improvements, and most importantly, invest in quality care.

Technological enhancements, including the Asset Verification System (AVS) and the Maryland Total Human-Services Integrated Network (MD THINK), have been made in recent years in attempt to alleviate the ongoing determination and payment crisis. While these developments have helped in some ways, there have also been unintentional negative consequences that have yet to be resolved.

The Asset Verification System (AVS) was implemented in 2017 as a way to accelerate the processing of applications by returning the necessary proof of financial and real property assets within ten days. Bank accounts may show up as belonging to an applicant by mistake, yet applicants are not made aware of AVS findings. More transparency is needed to allow applicants to review and if necessary, rebut information found on AVS.

MD THINK serves as the platform for submitting electronic applications for LTC Medicaid. From the launch of MD THINK in 2018, there have been a variety of technical issues that have hindered the eligibility process. While the State has made efforts to improve the system and progress has been made since the launch, many providers and applicants still experience technical issues. For example, MD THINK does not always sync with MMIS (the State's payment system) which results in delayed or denied payments to providers even after eligibility has been approved.

The long-term and post-acute care community has actively worked with the State to identify and implement policy solutions for many years. While we appreciate the work that we have done together thus far, delays in eligibility determinations and delays in Medicaid reimbursement for care already provided persist and are only becoming worse.

It remains our priority to continue to work with MDH, DHS, providers, and all stakeholders to solve ongoing eligibility and payment problems to ensure that Marylanders in need continue receiving high quality care. It is our sincere hope that the Workgroup proposed in HB 977 will create accountability to help resolve this crisis once and for all.

For these reasons, we support House Bill 977 and request a favorable report from the Committee.

Submitted by:

Joseph DeMattos, Jr.

President and CEO

(410) 290-5132