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SB 507 – Division of Consumer Protection – Assisted Living Programs

Hearing before the Senate Finance Committee, February 18, 2021

Position: SUPPORT

The Public Justice Center (PJC) is a not-for-profit civil rights and anti-poverty legal services organization that seeks to advance social justice, economic and racial equity, and fundamental human rights in Maryland. Our Health Rights Project supports policies and practices that promote the overall health of Marylanders struggling to make ends meet, with the explicit goal of promoting strategies that work to eliminate racial and ethnic disparities in health outcomes. The PJC **supports SB 507**, which would protect vulnerable Marylanders by requiring that (1) assisted living programs that are representative payees for their residents report to OAG’s Division of Consumer Protection basic information on how the money was spent, and (2) complaints to MDH’s Office of Health Care Quality be concurrently referred to OAG’s Division of Consumer Protection.

Increased oversight is required when assisted living programs are representative payees for their residents.

- Most representative payees are family members of the benefit recipient. However, in some circumstances, the representative payee may be the assisted living program where a benefit recipient lives.
- When creditors—including assisted living programs—act as representative payees, there is an inherent conflict between the program’s business interest (maximizing the amount of money that goes to the program) and the individual’s interest (spending benefit income wisely and efficiently).
- Assisted living programs benefit when they are a resident’s representative payee, because that program gets a guarantee income stream with much less administrative work.
- In exchange for this benefit, best practices¹ call for increased oversight, better reporting, and close attention to potential wrongdoing. SB507 would further this goal and help protect vulnerable Marylanders.

For the reasons indicated above, the Public Justice Center **SUPPORTS SB 507** and requests a **FAVORABLE** report.

¹ Justice in Aging, a national advocacy organization, provides a full analysis of these best practices at <http://justiceinaging.org/wp-content/uploads/2018/01/Skilled-Nursing-Facilities-and-Other-Creditors-Acting-As-Representative-Payees.pdf>.

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