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**SB 507 Assisted Living Program Reporting
Favorable
Senate Finance Committee
February 18, 2021**

Good afternoon Chairwoman Kelley and members of the Senate Finance Committee. My name is Tammy Bresnahan. I am the Director of AARP MD. AARP Maryland is one of the largest membership-based organizations in the state, encompassing over 850,000 members. **AARP MD overwhelmingly supports SB 507 Assisted Living Program Reporting.**

AARP is a nonpartisan, nonprofit, nationwide organization that helps people turn their goals and dreams into real possibilities, strengthens communities and fights for the issues that matter most to families such as healthcare, employment and income security, retirement planning, affordable utilities, and protection from financial abuse.

SB 507 requires that on or before June 1st of each year, each assisted living program that was appointed as a representative payee for residents of the assisted living facility report to the Division of Consumer Protection on the use of a residents:

- Social Security benefits of residents of the assisted living program facility during the immediately preceding year; and
- Other federal, state or local government funds for residents of the assisted living program facility during the immediately preceding year.

SB 507 also requires the Office of Health Care Quality within the Maryland Department of Health to refer an allegation of an unfair, abusive, or deceptive trade practice by an assisted living program to the Division of Consumer Protection under certain circumstances.

A representative payee is a person or entity appointed by Social Security to manage benefit payments for someone unable to do so on their own — for example, a minor child, or a retiree suffering from advanced dementia. More than 5.1 million Social Security beneficiaries had representative payees as of December 2019, including:

Real Possibilities

- 1.5 million Retired or disabled workers and their spouses, widows or widowers.
- 3.6 million Children, a figure that includes people over 18 who have been disabled since childhood.

Representative payees also handle benefits for nearly 3 million recipients of Supplemental Security Income (SSI), a Social Security–administered benefit program for low-income people who are over 65, blind or disabled. (Some beneficiaries collect both SSI and Social Security payments.)

The payee is typically a relative or close friend of the beneficiary needing assistance, but Social Security can also name an organization or institution for the role. (Examples include nursing homes, assisted livings facilities and social-service agencies.)

Among a range of duties, payees must:

- Use the beneficiary’s Social Security or SSI payments to meet his or her essential needs, such as food, shelter, household bills and medical care. The money can also be used for personal needs like clothing and recreation.
- Keep any remaining money from benefit payments in an interest-bearing bank account or savings bonds for the beneficiary’s future needs.
- Keep records of benefit payments received and how the money was spent or saved.
- Report to Social Security any changes or events that could affect the beneficiary’s payments (for example, a move, marriage, divorce or death).
- Report any circumstances that affect the payee’s ability to serve in the role.

A representative payee, cannot mingle the beneficiary’s Social Security payments with other money or use it for others. The bank account into which benefits are deposited should be fully owned by the beneficiary, with the payee listed as financial agent. Some payees, generally those who do not live with the beneficiary, are required to submit annual reports to Social Security accounting for how benefits are used.

AARP believes that government and long-term services and supports (LTSS) providers can implement various approaches to promoting service quality and protecting the rights of consumers. These include licensing and enforcement, strong ombudsman oversight, accreditation, and guaranteeing consumers’ right to bring legal action and legal oversight.

AARP also believes that states should establish licensing requirements that set various provider standards, monitor service quality, and protect residents’ rights. In response to noncompliance, regulators may apply a range of sanctions, from levying fines to revoking a facility’s license. Enforcement mechanisms vary by state and LTSS setting.

We applaud the efforts of Senator Kelley for bringing this bill forward to protect Maryland’s most vulnerable. We know she has had concerns about this for years. AARP

MD ask the Committee for a favorable report on SB 507. For questions, please contact Tammy Bresnahan tbresnahan@aarp.org or by calling 410-302-8451.