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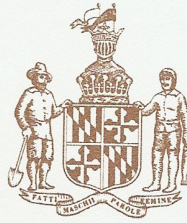
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House Bill 554 – Division of Consumer Protections – Assisted Living Programs

SPONSOR TESTIMONY: Joseline Peña-Melnyk (Favorable)

Good afternoon, Chairman Pendergrass and committee members, thank you for giving me the opportunity to present to you House Bill 554. In 2015, approximately 18.5% of Maryland residents were 60 years or older. This figure is expected to increase at an unprecedented rate.

We know that aging brings increased risk of physical and cognitive impairments. These conditions require older adults and their families to make difficult choices about how to best support their loved ones. Older adults often turn to assisted living facilities when they are incapable of safely living alone and require support for daily tasks. But some assisted living facilities have recently been criticized for exploiting vulnerable beneficiaries. This is especially egregious when the facility is responsible for managing residents' Social Security checks and other government pensions.

Recent cases of fraudulent practices and mismanagement of funds have surfaced, calling into question the accountability of some assisted living facilities. Without explicit legislation requiring representative payees to report the control of beneficiaries' government funds or Social Security benefits, assisted living residents remain vulnerable to loss of assets.

HB 554 seeks to hold assisted living facilities accountable for the management of these funds. It will clearly protect older adults from exploitation. This bill requires assisted living program facilities to report the use of Social Security benefits and other federal, state or local government funds to the Office of the Attorney General's Consumer Protection Division. The bill also creates an avenue of referral of unfair trade practices by an assisted living program. It requires the Office of Health Care Quality to refer allegations of abusive trade practice to both the Office of the Inspector General and the Office of the Attorney General's Consumer Protection Division. Currently, I am working closely with the Office of the Attorney General's Health Education and Advocacy Unit to draft a couple of friendly amendments that will maximize the bill's ability to serve the interests of its stakeholders. These include an enforcement component that allows for action upon allegations of fund mismanagement, as well as clarifying that any state, local, and/or federal funds received by a representative payee on behalf of a resident must be reported.

With the number of older adults only growing in Maryland, it is crucial that our state takes concrete steps toward protecting their assets. People who have difficulty going to the grocery store or using the bathroom should not be victimized by an institution that they trust to support their daily lives.

Thank you for allowing me to present HB 554. I respectfully request a favorable report.