



TO: Finance Committee
FROM: LeadingAge Maryland and LifeSpan Network
SUBJECT: Senate Bill 677, Maryland Health Care Commission - Nursing Homes - Audit
DATE: March 17, 2022
POSITION: Unfavorable

LeadingAge Maryland and LifeSpan Network oppose Senate Bill 677, *Maryland Health Care Commission - Nursing Homes – Audit*.

LeadingAge Maryland is a community of more than 135 not-for-profit aging services organizations serving residents and clients through continuing care retirement communities, affordable senior housing, assisted living, nursing homes and home and community-based services. LifeSpan Network, a senior care provider association in Maryland, represents nursing facilities, assisted living providers, continuing care retirement communities, medical adult day care centers, senior housing communities and other home and community-based services.

This bill requires the Maryland Health Care Commission to conduct an annual audit of cost trends, labor issues, and financial performance of nursing homes in the State. The Commission must conduct an annual survey of the nursing home workforce to include questions on working conditions, wages, hours and mandatory or voluntary overtime, and interactions with management and residents in the facility. The Commission is required to establish a fee to be paid by each nursing home subject to the audit to cover the cost of the audit.

LeadingAge Maryland and LifeSpan Network oppose this bill on the basis that the bill is duplicative of information currently reported by the nursing home industry to the State. The information being requested in the proposed audit is already reported by nursing homes in the annual Maryland Medicaid cost reports, annual CMS Medicare cost reports, the CMS Payroll Based Journal reporting (done quarterly) and the Maryland Minimum Data Set (quarterly). In addition, the MHCC already conducts an annual long-term care survey and a Maryland Family Experience Survey.

Regarding imposing another fee on the nursing homes to cover the cost of this audit, the MHCC has legislation before the General Assembly to already increase its user fees, including

the fee assessed on nursing homes. Imposing yet another fee on nursing homes at a time when Medicaid reimbursement falls short of covering the cost of care and census is down only further strains nursing home operations, especially when the information is already being reported to the State through other means and there is no clear reasoning for how this information will then be utilized. For these reasons, we respectfully request an unfavorable report for Senate Bill 677.

For additional information, please contact Aaron J. Greenfield, 410.446.1992 (LeadingAge Maryland) or Danna Kauffman, 410.294.7759 (LifeSpan Network)