



Wes Moore, Governor · Aruna Miller, Lt. Governor · Laura Herrera Scott, M.D., M.P.H., Secretary

March 7, 2024

The Honorable Pamela Beidle
Chair, Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, MD 21401-1991

RE: Senate Bill 1000– Health Care Facilities - Nursing Homes - Acquisitions– Letter of Support with Amendments

Dear Chair Beidle and Committee Members:

The Maryland Department of Health (Department) respectfully submits this letter of support with amendments for Senate Bill (SB) 1000– Health Care Facilities - Nursing Homes -Acquisitions. SB 1000 will require a person to submit a request for acquisition to the Maryland Health Care Commission (MHCC) before making a contractual agreement for the acquisition of a nursing home. In the submission of this acquisition request MHCC shall review and approve, approve with conditions, or deny these requests in consultation with the Secretary of Health. Additionally this bill will require that notice be provided to Residents and staff of an impending acquisition of a nursing home.

In a report by the Assistant Secretary for Planning and Evaluation (ASPE), Maryland had the 5th most nursing home acquisitions in the country between 2016-2021 with 33% of nursing homes going through a Change of Ownership (CHOW) transaction.¹ According to the MHCC report issued in January 2024 subject to SB 509/HB 702 (2023) from this legislature, Maryland has identified a high number of these CHOWs as private equity firms purchasing these nursing homes.² Some of the effects we are seeing are Medicare patients being discharged from nursing homes and being readmitted to hospitals at a rate of about 19%.³

The Department supports the intent of SB 1000 in providing additional layers of oversight for nursing home acquisitions. The requirements from this legislation will help to ensure some of the most vulnerable populations are properly protected. We are working with the sponsor as well as stakeholders on amendments to help strengthen the goals outlined in SB 1000.

¹ "Changes in Ownership of Skilled Nursing Facilities from 2016 to 2021: Variations by Geographic Location and Quality" July 7, 2022
<https://aspe.hhs.gov/sites/default/files/documents/78aae3d6d528e77a729288746ccc2e84/changes-ownership-snfs.pdf>

² Nursing Home Acquisitions and Licensures Recommendations Report January 2024
https://mhcc.maryland.gov/mhcc/pages/home/workgroups/documents/nh_acq/wkgrp_nh_acq_final_rpt_01102024.pdf

³ Nursing Home Acquisitions and Licensures Recommendations Report January 2024
https://mhcc.maryland.gov/mhcc/pages/home/workgroups/documents/nh_acq/wkgrp_nh_acq_final_rpt_01102024.pdf

If you would like to discuss this further, please do not hesitate to contact Sarah Case-Herron,
Director of Governmental Affairs at sarah.case-herron@maryland.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "LHS".

Laura Herrera Scott, M.D., M.P.H.
Secretary