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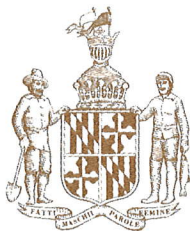
Chair, Finance Committee

Executive Nominations Committee

Joint Committee on Gaming Oversight

Joint Committee on Management
of Public Funds

Spending Affordability Committee



THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

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Senate Bill 1000
Maryland Health Care Commission – Nursing Homes - Acquisitions

Good afternoon, Vice Chair Klausmeier and Members of the Finance Committee;

Thank you for the opportunity to present Senate Bill 1000, Maryland Health Care Commission – Nursing Homes - Acquisitions. During the 2023 interim, the Maryland Health Care Commission convened a workgroup to discuss the private equity nursing home acquisition process and changes that could be made to ensure transparency of the purchase.

Senate Bill 1000 will ensure greater accountability but at the same time are not overly restrictive to discourage acquisitions, especially for nursing homes that need to be sold for financial or quality of care reasons. There are amendments to the bill that address timeframes, the appeal processes and make other technical and clarifying changes. The changes:

- Grants authority to the Maryland Health Care Commission to approve or disapprove an acquisition rather than only being able to make a recommendation to the Office of Health Care Quality.
- Allows the Commission to approve with conditions for one year, when approving an acquisition. This is important because it will ensure greater accountability following an acquisition.
- Requires the acquiring entity to submit an annual report for three years to the Commission, the Office of Health Care Quality and other state partners which will allow the State to continue to monitor the post-acquisition.
- Establishes a process for beginning to reduce multi-bed units following an acquisition.

The Office of Health Care Quality will continue to have responsibility for licensing and survey activities. I am hopeful that with the addition of new positions in the budget that the Office will finally implement my bill from a few years ago requiring OHCQ to conduct an inspection within three months of an acquisition.

Personally, I would like to see this done sooner given the number of acquisitions that have occurred over the last several years.

I appreciate the work that the stakeholders did throughout the interim. I respectfully request a favorable report on SB1000.