



COMMISSION ON AGING

March 5, 2024

Health and Government Operations Committee
Chair, Delegate Joseline A. Pena-Melnyk
Vice Chair, Delegate Bonnie Cullison
Room 241
House Office Building
Annapolis, Maryland 21401

HB 1122 SUPPORT WITH AMENDMENT

Dear Chair Pena-Melnyk and Vice Chair Cullison:

I am writing on behalf of the Montgomery County Commission on Aging in support of HB 1122 with amendments. The Commission is authorized by the Older Americans Act, P.L. 116-131, and was established by Montgomery County in 1974 to advise County government on the needs, interests, and issues of older adult residents, and to advocate on their behalf at the local, state, and national levels.

To avoid the burden of an unfunded mandate and to ensure the bill achieves its stated goals, we respectfully urge you to consider amending the bill to include corresponding funding for the the Maryland Health Care Commission (MHCC) and the Office of Health Care Quality (OHCQ).

HB 1122 reflects the recommendations of the [final report](#) of the Maryland Nursing Home Acquisitions Workgroup (Workgroup) to address the potentially negative impacts associated with the increasing role of private equity in nursing home ownership. According to the Workgroup, Maryland has seen a high number of private equity acquisitions of nursing homes in recent years. The Workgroup concluded that low penetration of Medicare Advantage plans and comparatively higher Medicaid reimbursement, coupled with a less contentious regulatory environment has made Maryland more attractive to private equity, real estate investment trusts, and high-income individuals who wish to purchase nursing homes than most states.

A seminal studyⁱ from 2021 showed private equity acquisition of nursing homes was associated with higher costs and increases in emergency department visits and hospitalizations for ambulatory sensitive conditions. By requiring both review and

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approval of contracts of sale by the State, coupled with a requirement to elicit input from residents and staff about the sale, the bill will ensure that the sale is in the public's interest and resident and staff rights are protected.

It's our understanding that one issue that emerged from the Workgroup's deliberations had to do with the increased workload anticipated for the Maryland Health Care Commission (MHCC) and the Office of Health Care Quality (OHCQ). We note that there is no additional funding in the bill to hire additional MHCC and OHCQ staff to conduct the due diligence and analysis required for contracts of sale, or to bring on consultants/experts who can advise the MHCC and OHCQ as regulations and policies are promulgated.

In conclusion, the Montgomery County Commission on Aging supports HB 1122 with the above amendment, recognizing it as a vital measure to protect the interest of nursing home residents and staff and hold purchasers accountable should a nursing home be sold, in part or in full. The Commission urges a favorable vote with amendments.

Sincerely,

David Engel

David Engel, Chair

Montgomery County Commission on Aging

ⁱ Braun RT, Hye-Young J, Casalino LP, Myslinski Z, Unruh MA. Association of Private Equity Investment in US Nursing Homes With the Quality and Cost of Care for Long-Stay Residents. JAMA Health Forum; [10.1001/jamahealthforum.2021.3817](https://doi.org/10.1001/jamahealthforum.2021.3817). Published November 19, 2021.