



March 10, 2025

Chair Vanessa E. Atterbeary
House Ways and Means Committee
130 Taylor House Office Building
Annapolis, Maryland 21401

Chair Guy Guzzone
Senate Budget & Taxation Committee
3 West Miller Senate Office Building
Annapolis, Maryland 21401

RE: OPPOSE HB 1154 and SB 1045

Dear Committee Chairs and Committee Members:

On behalf of Fundamental Administrative Services (FAS), Fundamental Clinical and Operations Services (FCOS) and our 11 client skilled nursing centers in Maryland, I am writing to **OPPOSE** House Bill 1554/Senate Bill 1045: Sales and Use Tax – Taxable Business Services – Alterations.

We currently employ over 1500 Marylanders between both our FAS and FCOS as well as our client facilities that we support and we provide care for nearly 1200 frail and elderly Marylanders. FAS and FCOS provide IT, administrative, operational, legal and other services to our client facilities. The facilities contract with FAS and FCOS for these services.

These bills would financially devastate our organization(s) by taxing both the corporate structure and our contracts with other Maryland companies as well as our client facilities and their contracts with our support organizations. The impact to the organization could be nearly \$1 million. Given the challenges with Medicaid funding combined with the uncertainty at the federal level, this has the potential to harm the long term care sector in Maryland that would result in an access to care crisis for the state. The impact to Maryland's most vulnerable and their care providers would be devastating.

Thank you for your time and consideration of this critical issue facing Fundamental and long term care providers in Maryland. We urge you to oppose this on behalf of the thousands of frail and elderly Marylanders and their providers of care.

Sincerely,

Michael Jacobs
Government Affairs