



# MARYLAND STATE & D.C. AFL-CIO

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## **HB 933 - Nursing Homes - Cost Reports**

### **Senate Finance Committee**

**April 1, 2025**

### **SUPPORT**

**Donna S. Edwards**

**President**

**Maryland State and DC AFL-CIO**

Madame Chair and members of the Committee, thank you for the opportunity to submit testimony in support of HB 933. My name is Donna S. Edwards, and I am the President of the Maryland State and District of Columbia AFL-CIO. On behalf of Maryland's 300,000 union members, I offer the following comments.

Nursing homes rely on public funding through Medicare and Medicaid, but Maryland does not have a transparent process in place to track exactly how public dollars are being spent. A study done by economists Ashvin Gandhi and Andrew Olenski found that nursing homes hide nearly 63% of profits, often diverting millions of dollars of public reimbursement to private personal profit.<sup>1</sup> This, in turn, significantly limits the money available to support staff and fund the resources needed for quality resident care.

HB 933 improves nursing home transparency by requiring the Maryland Department of Health to review cost reports and other data submitted by nursing homes to ensure oversight into how public dollars are being spent. Review of these cost reports have a focus on how revenues are allocated, specifically to contracted nursing care services and salaries and wages of all nonadministrative staff that include certified nurse aides, directors of nurses, licensed practical nurses, registered nurses, noncertified or resident care aides, housekeepers, dietary aides, and in-house clerical staff. Including these personnel into the cost report review process prioritizes those who are on the ground, working to improve patient care everyday.

Using data to see where nursing home funds are being spent and a fair review process ensures transparency and accountability while also helping to address the growing healthcare workforce shortage in our state.

For these reasons, we urge a favorable vote on HB 933.

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<sup>1</sup> Ashvin Gandhi and Andrew Olenski, "Tunneling and Hidden Profits in Healthcare." July 2024.