

**Maryland General Assembly
Department of Legislative Services**

**Proposed Regulation
Maryland Department of Aging
(DLS Control No. 16-102)**

Overview and Legal and Fiscal Impact

The regulation reduces the annual fee to renew a certificate of registration for a provider of continuing care.

The regulation presents no legal issue of concern.

Special fund revenues decrease by approximately \$48,564 annually, beginning in fiscal 2017 due to a reduction in annual certificate of registration renewal fees. There is no impact on the general fund.

Regulation of COMAR Affected

Maryland Department of Aging:

Provider Regulations: Certificate of Registration for Continuing Care Facilities and Providers: COMAR 32.02.01.13

Legal Analysis

Background

On September 15, 2015, Governor Larry Hogan announced a plan to reduce or eliminate a number of fees across State government. Governor Hogan announced a second round of fee reductions or eliminations on May 12, 2016. This regulation is part of the second round of reductions or eliminations. Additional information regarding Governor Hogan's fee reduction initiative may be found [here](#).

A provider of continuing care may not provide such care until the department issues a certificate of registration. Every year, a provider must file an application for a renewal certificate of registration to the department. The renewal application must contain (1) required notice of certain changes; (2) an audited financial statement for the preceding fiscal year; (3) an operating budget for the current fiscal year; (4) a projected operating budget for the next fiscal year; (5) a cash flow projection for the current fiscal year and the next two fiscal years; (6) and a projection of the life expectancy and the number of residents who will require nursing home care. Every three years, the renewal application has to include an actuarial study reviewed by a qualified actuary, unless the provider is exempted from this requirement by regulations.

Summary of Regulation

The regulation decreases the annual fee to renew a certificate of registration for a provider of continuing care from \$28 to \$25 per unit.

Legal Issues

The regulation presents no legal issue of concern.

Statutory Authority and Legislative Intent

The department cites § 10-403 of the Human Services Article as statutory authority for the regulation. Section 10-403 requires the department to adopt regulations necessary to enforce provisions of law that govern providers of continuing care and to establish and collect reasonable filing fees to carry out those provisions of law.

This authority is correct and complete. The regulation complies with the legislative intent of the law.

Fiscal Analysis

Special fund revenues decrease by approximately \$48,564 annually, beginning in fiscal 2017 due to a reduction in annual certificate of registration renewal fees. There is no impact on the general fund.

Agency Estimate of Projected Fiscal Impact

The regulation reduces the annual fee to renew a certificate of registration for a provider of continuing care from \$28 to \$25 per unit. The department advises that the proposed reduction decreases revenues accruing to the Registration Fees – Continuing Care Program special fund by an estimated \$48,564 annually. This reduction assumes no change in the number of units assessed, currently totaling 16,188 units statewide. Revenues from the fee support the department's review of renewal applications. The department advises that the Continuing Care Program special fund has a balance of approximately \$314,000 and is on track to maintain that fund balance through fiscal 2016. The department further advises that the reduction will not impact its ability to conduct thorough and timely reviews of applications. The Department of Legislative Services concurs.

Impact on Budget

There is no material impact on the State operating or capital budget.

Agency Estimate of Projected Small Business Impact

The department advises that the regulation has minimal or no economic impact on small businesses in the State, as none of the affected providers qualifies as a small business; moreover, the reduction in the fee charged is \$3 annually. The Department of Legislative Services concurs.

Contact Information

Legal Analysis: Patrick D. Carlson – (410) 946/(301) 970-5350

Fiscal Analysis: Nathan W. McCurdy – (410) 946/(301) 970-5510