

**Department of Fiscal Services**  
Maryland General Assembly

**FISCAL NOTE**

Senate Bill 879 (Senator Teitelbaum)  
Finance

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**Task Force to Study Comprehensive Care and Subacute Care Bed Need**

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This bill establishes an 11-member Task Force to Study Comprehensive Care and Subacute Care Bed Need. The task force is required to conduct a statewide survey and make recommendations on the need for the approval and certification of comprehensive care and subacute care beds by the Health Resources Planning Commission (HRPC) through the Certificate of Need (CON) process. The Department of Health and Mental Hygiene (DHMH) is to staff the task force and HRPC is required to provide any information the task force requires to conduct the survey. The task force is to report to the Governor and General Assembly by October 1, 1998 on its survey results and any recommendations resulting from the survey. HRPC is prohibited from approving a CON application submitted after July 1, 1997 to increase the number of comprehensive care or subacute care beds in Maryland until the task force submits its report.

The bill takes effect July 1, 1997.

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**Fiscal Summary**

**State Effect:** None. The bill's requirements could be handled with existing budgeted resources.

**Local Effect:** None.

**Small Business Effect:** Potential meaningful effect on a limited number of small businesses as discussed below.

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## Fiscal Analysis

**State Expenditures:** Task force members would serve without compensation but would be reimbursed for expenses under the standard State travel regulations. Any such expenditures would depend upon the time, location, and frequency of the task force's meetings. Both staffing and reimbursement expenses are assumed to be minimal and absorbable within existing agency resources.

**Small Business Effect:** Health care facilities with comprehensive care and subacute care beds, generally hospitals and nursing homes, could be adversely affected by the temporary prohibition on increasing the number of comprehensive care or subacute care beds until October 1, 1998. However, any adverse impact would be limited because hospitals are not small businesses and most nursing homes are not small businesses. Fewer than 2% of for-profit nursing homes and 20% of nonprofit nursing homes are small businesses.

**Additional Comments:** The Health Care Reform Act of 1995 (Chapter 499) directed the Health Resources Planning Commission to adopt regulations on the development of subacute care units. The regulations were adopted and took effect in July 1995. The regulations outline the scope of the Subacute Care Project, which has the goal of guiding the development of subacute care services in Maryland. The project includes establishment of a special subacute care bed pool, development and implementation of a subacute care survey, creation of an initial operational definition of subacute care, and publication of a series of three reports. The objective of the subacute care survey is to examine the similarities and differences in the delivery of subacute care and patient outcomes within different health care settings.

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**Information Source(s):** Department of Health and Mental Hygiene (Health Resources Planning Commission, Licensing and Certification Administration, Medical Care Policy Administration); Department of Fiscal Services; Health Facilities Association of Maryland; Maryland Association of Non-Profit Homes for the Aging

**Fiscal Note History:** First Reader - March 11, 1997

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