

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 327 (Senators Kasemever and Madden)

Finance

**Health Care Facilities - Restrictions on Bed Capacity for Continuing Care -
Extensive Contracts**

This bill prohibits the Health Resources Planning Commission (HRPC) from restricting the number of comprehensive care beds that a health care facility may have to serve individuals with whom the facility has contracted to provide continuing care under an “extensive contract”. An extensive contract is defined as a contract which includes shelter, residential services and amenities, and long-term nursing care with little or no increase in monthly fees other than periodic adjustments for operating costs and inflation. Current law restricts the number of comprehensive care beds (nursing home beds) in a continuing care retirement community eligible for a certificate of need exemption to no more than 20% of the number of independent living units.

Fiscal Summary

State Effect: Potential minimal increase in general fund revenues. Expenditures would not be affected.

Local Effect: None.

Small Business Effect: Potential meaningful.

Fiscal Analysis

State Effect: The bill could result in a minimal increase in continuing care retirement community (CCRC) revenues accruing to the Office on Aging to the extent that its provisions result in additional CCRC comprehensive care beds. Workload for the Office on Aging would increase by a minimal amount, since the office reviews a feasibility study when a facility expands its capacity. Any such impact could be handled with existing budgeted

resources.

Small Business Effect: The bill could favorably affect continuing care retirement facilities to the extent that a facility is able to add comprehensive care beds and allow its residents to age in place. Two or three of Maryland's 29 CCRCs would be considered small businesses.

Information Source(s): Department of Health and Mental Hygiene (Health Resources Planning Commission), Office on Aging, Department of Legislative Services

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