

Department of Legislative Services  
Maryland General Assembly  
1999 Session

**FISCAL NOTE**

Senate Bill 108 (Senators Kasemever and Kellev)

Finance

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**Continuing Care Communities - Comprehensive Care Nursing Beds - Limitations**

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This bill authorizes a continuing care community (CCC) to add Certificate of Need (CON)-exempt nursing home beds in excess of 20% of the number of the CCC's independent living units if the Health Resources Planning Commission (HRPC) has granted permission for the additional beds. It authorizes HRPC to grant permission to the CCC to add the nursing home beds if (1) the CCC has adequately demonstrated the need for additional nursing home beds; (2) the CCC has accepted residents for at least 5 years; and (3) the additional beds are only for the use of CCC residents.

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**Fiscal Summary**

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

**Local Effect:** None.

**Small Business Effect:** Potential meaningful.

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**Fiscal Analysis**

**Background:** CCCs can offer a continuum of care within the same campus to a senior citizen who wishes to age in place; these include, from the lightest to the heaviest levels of care: independent living units, assisted living units, and nursing home beds. As the need for additional nursing home beds has declined statewide, the CON exemption process has been the predominant route by which CCCs have added nursing home beds. Eleven of the 29 CCCs in Maryland have CON-exempt nursing home beds. CCCs have expressed concern regarding the emerging scarcity of nursing home beds needed to serve aging residents within

some CON-exempt CCCs.

**State Revenues:** The bill could potentially result in an increased number of CON-exempt nursing home beds allowed in a CCC. The Department of Aging collects an annual CCC renewal fee based on the total number of independent living units, assisted living beds, and nursing home beds. Therefore, annual special fund revenues could increase by a minimal amount.

**Small Business Effect:** The bill could favorably affect CCCs because it potentially allows additional nursing home beds for certain CCCs. Two or 3 of Maryland's 29 CCCs would be considered small businesses.

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**Information Source(s):** Department of Health and Mental Hygiene (Health Resources Planning Commission); Department of Aging; Department of Legislative Services; Mid-Atlantic Non-Profit Health and Housing Association; Health Resources Planning Commission, *Continuing Care Retirement Communities: An Examination of the Exemption of Nursing Home Beds from Certificate of Need Review*, October 1998.

**Fiscal Note History:** First Reader - February 17, 1999

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