

Department of Legislative Services  
Maryland General Assembly  
1999 Session

FISCAL NOTE

House Bill 619 (Delegate Klausmeier. *et al.*)

Environmental Matters

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**Continuing Care Communities - Certificate of Need Exemption - Direct Admission**

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This bill provides that a continuing care community (CCC) does not lose its exemption from Certificate of Need (CON) requirements when an individual who has executed a continuing care agreement with a CCC prior to entering the CCC is admitted directly to a nursing facility within the community. Current law allows CCCs to have CON-exempt nursing home beds only if the beds are for the exclusive use of community residents who have executed continuing care agreements for the purpose of residing in independent living units or assisted living units.

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**Fiscal Summary**

**State Effect:** None. The bill would not substantively change governmental activities or operations.

**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.

The bill addresses the issue of an individual who signs up for a CCC, is placed on a waiting list for admission, and in the meanwhile develops an illness requiring nursing home care.

Under current law the individual could not be admitted directly into the CCC's nursing facility.

**Small Business Effect:** The bill could favorably affect CCCs because it allows a facility with CON-exempt nursing home beds to directly admit a resident to a nursing home bed. Two or 3 of Maryland's 29 CCCs would be considered small businesses. To the extent that a CCC resident might otherwise have been admitted to a non-CCC nursing home, nursing homes could be adversely affected. About 20 nursing homes are small businesses. This represents fewer than 2% of for-profit nursing homes and 20% of non-profit nursing homes.

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

**Fiscal Note History:** First Reader - February 22, 1999

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Analysis by: Sue Friedlander

Direct Inquiries to:  
John Rixey, Coordinating Analyst  
(410) 946-5510  
(301) 970-5510