

Department of Legislative Services  
Maryland General Assembly  
1999 Session

FISCAL NOTE

Senate Bill 159 (Senator Kellev. *et al.*)

Finance

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**Continuing Care Communities - Certificate of Need Exemption - Concurrent Direct Admissions**

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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 it admits an individual directly to a nursing facility within the community if the admittee's spouse, relative, or significant other is admitted at the same time to an independent living or assisted living unit within the community.

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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.

Current law allows CCCs to have CON-exempt nursing home beds if the beds are for the exclusive use of community residents; a CCC is prohibited from allowing the public direct

admissions to its nursing home beds. For example, under current law, if a husband and wife sign up for a CCC and the wife becomes ill, she cannot move directly into the nursing home while her husband occupies the independent living unit. The bill's "spousal carve-out" provisions would allow an ill spouse direct admission to the nursing home bed in the CCC.

**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's spouse, relative, or significant other into a nursing home bed. Two or 3 of Maryland's 29 CCCs would be considered small businesses. To the extent that the CCC resident's spouse, relative, or significant other 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 8, 1999

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