

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE
Revised

Senate Bill 576 (Senator Kellev. *et al.*)

Finance

Health - Assisted Living Programs - Regulation

This bill requires the Secretary of the Department of Health and Mental Hygiene (DHMH) to issue a provisional license to an entity that applies for an assisted living program license before February 1, 2001, if the department determines that the applicant has not been cited for any life-threatening deficiencies and has complied with the assessment, service plans, and medication administration requirement of the assisted living regulations. A provisional license will be issued if the applicant was licensed or certified by the Department of Aging (DOA) or the Department of Human Resources (DHR), or was registered or licensed by DHMH before December 31, 1998. A “medication management review” must be performed by a registered nurse or pharmacist once every 90 days for each licensed assisted living program with less than 17 beds. If a minimum of 50% of the residents of an assisted living program have monthly incomes of less than \$900 each, the local health department must provide the required medication management reviews at no cost to the program. Regulations are to be adopted by October 1, 2004.

The bill also makes exemptions from Board of Nursing certification for workers at a facility who do not regularly perform delegated nursing functions, allows for the provider and the provider’s immediate family to be considered exempt when applying for various county permits, and clarifies that a boarding house where unrelated individuals live together, but do not need assisted living services, is not an “assisted living program.”

Fiscal Summary

State Effect: The bill would not change State activities or operations.

Local Effect: Expenditures increase to the extent that local health departments are required

to provide medication management reviews every 90 days for assisted living programs with low-income residents. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: Potential minimal positive impact to applicable small businesses and those entering the industry.

Analysis

Bill Summary: Current law requires that an individual must be certified by the State Board of Nursing to practice as a nursing assistant. This bill provides an exception for an individual providing assistance with activities of daily living in an assisted living program, unless the individual routinely performs delegated nursing functions. The bill also requires that when a county is making a zoning, special use, or occupancy permit determination for an assisted living program with less than six beds, the following are not to be considered as facility occupants: (1) the facility provider; or (2) the members of the providers' immediate family who live at the facility and need assisted living services.

DHMH must adopt regulations by October 1, 2004 to require the granting of a provisional license to any applicant who applies before February 1, 2001 with no record of life threatening deficiencies and: (1) the facility was licensed or certified as an assisted living facility as of December 31, 1998; or (2) was registered as a domiciliary care facility with fewer than five beds as of December 31, 1998. The regulations must also require the medication management review to be performed by a registered nurse every 90 days for each assisted living facility with less than 17 beds.

Current Law: Chapter 147 of 1996 consolidated various types of community-based assisted living facilities and gave DHMH authority to regulate these programs. Regulations pursuant to Chapter 147 took effect January 1, 1999, but related sanctions on small assisted living facilities are not to be imposed by DHMH until July 1, 2000, unless a resident's physical or emotional health has been harmed or jeopardized. Provisional licenses are not addressed, but are proposed as a way to facilitate inspections and to assist in the attainment of full licensure of as many facilities as possible in a timely manner.

Regulations addressing medication management in assisted living facilities require that facility management determine the patient's ability to self-administer medication and arrange for a registered nurse to conduct on site reviews of medication administration either quarterly, or every 45 days.

State Effect: License fees paid by assisted living facilities are \$25 for a facility with fewer than 17 beds. There will be no change in the fee structure for the proposed provisional licenses. There are an estimated 2,500 facilities statewide which could be defined as assisted

living facilities. Licenses have been issued to 1,433 facilities under current law and regulations, of which 1,315 have 16 or fewer beds. Overall, revenues and expenditures would not be affected by the provisions of this bill.

Local Fiscal Effect: Local health departments must provide medication reviews in facilities where at least half of the residents receive less than \$900 in income annually.

Four local governments were surveyed and provided cost estimates for the required medication reviews. The Department of Legislative Services assumes that each of the local health departments statewide would realize an increase in expenditures beginning in fiscal 2001 due to the bill's medication management review requirements. Local health department survey results are presented below as rough estimates. The total increase in expenditures statewide cannot be reliably estimated at this time.

Baltimore City	\$450,000
Garrett County	\$16,500
Anne Arundel County	\$51,000
Prince George's County	\$325,000

Additional Information

Prior Introductions: None.

Cross File: HB 685 (Delegate Nathan-Pulliam, *et al.*) - Environmental Matters.

Information Source(s): Department of Health and Mental Hygiene (Office of Health Care Quality, Community and Public Health), Department of Aging, Department of Legislative Services

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Analysis by: Louise Hanson

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