

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE
Revised

Senate Bill 688 (Senator Collins. *et al.*)

Finance

Nursing Homes - Quality of Care - Inspections

This bill requires the Department of Health and Mental Hygiene (DHMH) to make a site visit and conduct a full survey of each licensed nursing home at least two times per calendar year. The surveys must be unannounced. DHMH may waive the survey requirements for a nursing home that, in the two most recent surveys conducted after October 1, 2000, has had no deficiencies that have the potential for minimum harm or greater.

Fiscal Summary

State Effect: The Governor's proposed FY 2001 budget includes \$516,900 (45% federal, 55% general) for ten health facility surveyor nurses and associated operating expenses to conduct two full surveys of each nursing home each year.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The Office of Health Care Quality (OHCQ) annually conducts one full review and one follow-up review of each nursing home. A full survey must verify nursing home compliance with the requirements set forth in Code of Maryland Regulations (COMAR) 10.07.02, including compliance with patient record keeping, billing procedures, staffing ratios, dietetic practices, sanitation, medication control, and any other requirement set forth in regulation.

Background: The OHCQ currently conducts one full survey and one limited survey of each of the 261 nursing homes in the State. A limited survey may be a follow-up to the full survey

to make sure a particular deficiency has been corrected, or it may result from a particular complaint. The OHCQ currently has 29 health facility surveyor nurses who perform surveys. Each full survey takes approximately 140 hours to complete, including documentation, analysis, and verification of a nursing home's compliance with the law.

During the 1999 session, the federal Government Accounting Office (GAO) issued a report that cited the OHCQ for inadequate follow-up of complaints in nursing homes. In response, the OHCQ reported that the problems were primarily the result of insufficient personnel and conflicting priorities, since the federal Health Care Financing Administration emphasizes the importance of surveys over complaint follow-up. To address these factors, the fiscal 2001 allowance contains funding for ten health facility nurse surveyors. The OHCQ determined the number of new positions by calculating how many positions are necessary to complete two surveys a year.

State Effect: To conduct two full annual surveys of 261 nursing homes, OHCQ would require approximately 35 full-time equivalent health facility surveyor nurse positions. The ten additional positions in the proposed fiscal 2001 budget will increase the health facility surveyor nurse staff to 39 positions. The proposed budget includes \$516,924, which includes salaries and fringe benefits for the ten new positions as well as associated one-time start-up costs and ongoing operating expenses, for the ten new positions.

Additional Information

Prior Introductions: None.

Cross File: HB 749 (Delegate Hammen, *et al.*) - Environmental Matters.

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

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