

**Department of Legislative Services**  
Maryland General Assembly  
2003 Session

**FISCAL AND POLICY NOTE**  
**Revised**

Senate Bill 553

(Senator Teitelbaum, *et al.*)

Finance

Health and Government Operations

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**Assisted Living Facilities - Certification - Third Party Accreditation Programs**

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This bill authorizes the Department of Health and Mental Hygiene (DHMH) to accept third-party accreditation reports as sufficient to meet the standards for renewing a license to operate an assisted living facility. DHMH and the assisted living industry must review its payment rates, study the cost of providing services, and consider reimbursement options including an annual rate-setting formula based on the actual cost for assisted living services. DHMH must submit a report on its findings to the General Assembly by January 1, 2004.

Additionally, DHMH must evaluate assisted living services in Maryland, in consultation with assisted living consumers and providers, and submit a report to the Senate Finance Committee and the House Health and Governmental Operations Committee by January 1, 2004.

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**Fiscal Summary**

**State Effect:** The bill's requirements could be handled with existing budgeted resources.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** Assisted living programs are residential or facility-based programs that provide housing and supportive services, supervision, personalized assistance, health-

related services, or a combination of those services. Assisted living programs do not include nursing homes, hospice care programs regulated by DHMH, or services provided by family members or provided in an individual's own home.

DHMH licenses assisted living programs and inspects assisted living program facilities. DHMH delegates certain assisted living program and facility monitoring and inspecting responsibilities to the Department of Aging and the Department of Human Resources, according to an interagency agreement.

**Background:** There are more than 2,000 assisted living facilities in Maryland, approximately half of which are licensed. DHMH estimates that approximately 100 of the larger assisted assisted living facilities would seek third-party accreditation.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 824 (Delegate Mandel, *et al.*) – Health and Government Operations.

**Information Source(s):** Department of Health and Mental Hygiene, Department of Aging, Department of Legislative Services

**Fiscal Note History:** First Reader - February 18, 2003  
ncs/jr Revised - Senate Third Reader - March 21, 2003

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