

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

Senate Bill 532
Finance

(Senators Klausmeier and Astle)

Continuing Care Retirement Communities - Prohibition on Additional
Assessments, Taxes, or Fees

This bill prohibits the State from imposing any additional assessments, taxes, or fees that are in excess of the amounts provided for in statute or regulation as of July 1, 2003 on: (1) a continuing care retirement community (CCRC); (2) a nursing home within a CCRC; or (3) an assisted living program within a CCRC.

The bill takes effect July 1, 2004.

Fiscal Summary

State Effect: The fee prohibition would not directly affect State finances in FY 2005, although it would prevent both the Maryland Department of Aging (MDoA) and the Department of Health and Mental Hygiene (DHMH) from increasing certain regulatory fees in the future. Expenditures would not be affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: A CCRC must be certified by MDoA to provide continuing care. MDoA may charge reasonable fees for certification and reasonable filing fees for the submission of a feasibility study that is required when a CCRC wants to construct a new facility or expand an existing one.

Background: A CCRC offers a full range of housing, residential services, and health care in order to serve its older residents as their needs change over time. CCRCs provide both housing and health care for seniors, as well as emphasizing social involvement and community life. A CCRC is intended to supply a continuum of care throughout the lifetime of its senior residents. It does so by maintaining various on-site medical and social services and facilities. These facilities and services allow residents to enter into the community while still relatively healthy and then move on to more intensive care as it becomes necessary.

MDoA: MDoA imposes fees on CCRCs in a variety of circumstances. MDoA charges between \$7,500 and \$20,000 when a new CCRC opens, depending on the number of units. If a CCRC wants to expand, it must pay a filing fee \$50 per new unit. A CCRC also must pay \$13.50 per unit for its annual certification renewal. In 2003, MDoA proposed fee increases to more closely approximate actual operating costs. These fee increases (generally doubling current fees) were approved by the Joint Committee on Administrative, Executive, and Legislative Review and will be implemented March 1, 2004. MDoA expects to collect about \$190,000 in fiscal 2004 from the \$13.50 renewal fees.

Office of Health Care Quality: The Office of Health Care Quality (OHCQ) within DHMH licenses and regulates nursing homes and assisted living facilities, including those located in CCRCs. For CCRCs, OHCQ charges a licensure fee of \$6 per bed.

Both MDoA and OHCQ rely on licensure fees to help defray administrative costs.

Additional Comments: The 2004 Budget Financing Act (SB 508/HB 869) contains a provision to levy a \$1,200 assessment on nursing facility beds in the State. The bills contain an exemption from this assessment for CCRCs if DHMH obtains permission from the federal Centers for Medicare and Medicaid Services to exclude CCRCs from the definition of nursing facilities for purposes of the assessment.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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mam/jr

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