

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE
Revised

House Bill 826 (Delegates McComas and Mandel)
Health and Government Operations

Finance

Assisted Living Programs - Services Disclosure Statement

This bill requires the Department of Health and Mental Hygiene (DHMH), consulting with the Maryland Health Care Commission and assisted living industry stakeholders, to develop a standard assisted living program services disclosure statement. The statement must be filed as part of a program's licensure application with DHMH's Office of Health Care Quality (OHCQ). If an assisted living program changes its services reported on the statement, it must file an amended statement with OHCQ within 30 days of the change in services. A copy of the statement must be made available to an individual upon request. An assisted living program must provide a copy of the services disclosure statement to individuals as part of the program's marketing materials.

DHMH, consulting with stakeholders, must develop a process of educating consumers regarding the disclosure statement. By December 30, 2007, DHMH must report to specified legislative committees on the number of consumer requests for the disclosure statement, the resources required to make the disclosure statement available online, and the process of educating consumers regarding the disclosure statement.

The bill takes effect July 1, 2006.

Fiscal Summary

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: An assisted living program is a residential or facility-based program that provides housing and supportive services, supervision, personalized assistance, health-related services, or a combination of these services to individuals who are unable to perform or who need assistance performing the activities of daily living.

An assisted living program does not include a nursing home, a State mental health facility, a program licensed by DHMH to provide services to individuals with developmental disabilities or mental health services, a hospice care program, services provided by family members, or services provided in an individual's home.

Statute requires hospitals and related institutions to be licensed in order to operate in Maryland. An assisted living program is a related institution. An assisted living program license is valid for two years. A related institution that operates without a license is guilty of a misdemeanor and on conviction is subject to maximum penalties of a \$1,000 fine for a first offense and a \$10,000 fine for each subsequent conviction for a violation of the same provision. Each day a violation is continued after the first conviction is a subsequent offense. Additionally, the Secretary of Health and Mental Hygiene may impose a maximum civil penalty of \$10,000 for each offense.

Background: There are approximately 1,580 licensed assisted living programs in Maryland.

OHCQ recommended establishing a uniform service disclosure form for assisted living programs in a 2006 report. According to the report, DHMH supports expanding the accessibility of disclosure statements; requiring programs to notify DHMH of services and changes in services provided; and requiring providers to make the disclosure statements available to any person requesting a copy.

In April 2004, the Government Accountability Office issued a report on *Assisted Living, Examples of State Efforts to Improve Consumer Protections*. One concern identified in the report was the difficulty consumers had accessing adequate information on the availability and options for assisted living. The report highlighted a Texas policy that requires all assisted living facilities to fill out a disclosure statement, the purpose of which is to help consumers better compare facility policies and services in uniform categories.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene; *Maryland's Assisted Living Program 2005 Evaluation: Final Report and Recommendations*, Office of Health Care Quality, January 2006; Government Accountability Office; Department of Aging; Department of Legislative Services

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