

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1118 (Delegate Morhaim)

Health and Government Operations

Finance

**Nursing Home Administrator License - Revocation or Surrender - Ban on
Employment**

This bill prohibits a nursing home or a “nursing home management firm” from knowingly employing or retaining as a consultant an individual who has surrendered a nursing home administrator license for specified disciplinary grounds or had such a license revoked by the State Board of Examiners of Nursing Home Administrators (BENHA). The Department of Health and Mental Hygiene is prohibited from reimbursing a nursing home or related institution if the facility or a “management firm” of the facility knowingly employs or retains as a consultant such an individual.

Fiscal Summary

State Effect: Since it is assumed that this bill will apply in a limited number of cases, State finances are not materially affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: “Nursing home management firm” and “management firm” mean an organization with full responsibility and control for the day-to-day operations of a nursing home that is under contract with an applicant for a license from the Secretary of Health and Mental Hygiene to establish, operate, or continue the operation of an existing nursing facility or a holder of a license from the Secretary of Health and Mental Hygiene to operate a nursing facility. A nursing home or nursing home management firm may

hire or retain as a consultant an individual who had a license revoked but later reinstated by the board if the individual's license is in good standing.

Current Law/Background: BENHA issues and renews licenses for nursing home administrators. With limited exceptions, all nursing homes in Maryland must have one licensed nursing home administrator who is the administrator of record. However, nursing homes may employ more than one licensed nursing home administrator. These individuals may function in roles such as director of nursing or assistant director.

BENHA also investigates complaints against nursing home administrators and takes disciplinary action where warranted. Complaints are reviewed immediately to determine if there is a basis to proceed to an investigation and if the complaint is under the board's jurisdiction. If a complaint is found to have merit, it is forwarded to the board investigator. If a violation of law or regulation is identified, informal or formal disciplinary action may be taken by the board. If formal action is taken, information on the action is reported in the board newsletter and posted on the board website.

Subject to hearing provisions, among other actions, BENHA may revoke a license if a licensee commits any 1 of 12 grounds for disciplinary action, including §§ 9-314(b)(8), (9), and (10) of the Health Occupations Article, which are:

- willfully making or filing a false report or record in the practice of nursing home administration;
- willfully failing to file or record any report as required under law, willfully impeding or obstructing the filing or recording of the report, or inducing another to fail to file or record the report; and
- submitting a false statement to collect a fee.

According to BENHA, since fiscal 2005, no nursing home administrator licenses have been revoked and only two have been surrendered: one in December 2006 and one in May 2011. One of the individuals who surrendered a license continues to own nursing homes in Maryland, though the facilities have licensed nursing home administrators.

Additional Information

Prior Introductions: None.

Cross File: SB 737 (Senator Rosapepe) - Finance.

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

Fiscal Note History: First Reader - February 28, 2012
jc/ljm Revised - House Third Reader - March 28, 2012

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