

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 244 (Delegate Smith, *et al.*)
Health and Government Operations

Assisted Living Programs - Closure or Change of Location or Ownership -
Resident and Resident Representative Notification

This bill requires an assisted living program to provide written notice to residents and resident representatives of an action that will result in the (1) closure; (2) change of ownership; (3) change of location; or (4) sale of the assisted living program. The written notice must be provided at least 180 days before the proposed action occurs.

Fiscal Summary

State Effect: Although the Office of Health Care Quality (OHCQ) must alter regulations to comply with the bill's notice period, the bill has no material effect on State operations or finances.

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Current Law: "Assisted living program" means a residential or facility-based program that provides housing and supportive services, supervision, personalized assistance, health-related services, or a combination of these services that assist individuals who are unable to perform (or who need help performing) the activities of daily living. These services are to be provided in a way that promotes optimum dignity and independence for the individuals.

Regulations require a licensed assisted living program to provide written notice to the Department of Health and Mental Hygiene (DHMH), as well as to all residents and resident representatives, at least 45 days before any intention to (1) voluntarily close; (2) change ownership; (3) change location; or (4) sell its assisted living program. The notice to DHMH must describe how the assisted living program will inform residents and resident representatives of its intention and what actions will be taken to assist residents in securing comparable housing and assistance, if necessary.

Background: There are 1,521 assisted living programs licensed to operate in the State; 38 of them have the capacity to house 100 clients or more, while 1,151 assisted living programs have 10 or fewer clients. OHCQ advises that no other type of provider is subject to a 180-day notice requirement to alert residents and resident representatives before a (1) closure; (2) change of ownership; (3) change of location; or (4) sale.

Small Business Effect: Licensed assisted living programs are already required by regulation to provide notice to residents and resident representatives. However, the extended notice period required by the bill may negatively impact small business-owned or -operated assisted living programs. Such businesses may have to delay transfer of the program to a new owner or remain open beyond the timeframe that the business is financially sustainable.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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kb/ljm

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