

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 967 (Delegate Sample-Hughes, *et al.*)
Health and Government Operations

Maryland Department of Health - Residential Service Agencies - Regulation
Requirements

This bill requires that specified regulations adopted by the Maryland Department of Health (MDH) related to residential service agencies (RSAs) include provisions that (1) as part of developing a set of minimum standards for individuals who provide home health care services through an RSA, include the development and use of a uniform skills assessment form and (2) require an RSA to ensure that individuals who are referred by the RSA are trained to provide the care required by the clients of the RSA by, at a minimum, providing specified training and instruction.

Fiscal Summary

State Effect: Medicaid expenditures may increase by an indeterminate amount (37% general funds, 63% federal funds) to account for the new training and uniform provider skills assessment requirements, as discussed below. Federal matching revenues increase accordingly.

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: Regulations adopted by MDH must require an RSA to ensure that individuals who are referred by the RSA are trained to provide the care required by the clients of the RSA by, at a minimum, providing:

- instruction and supervised practice in relevant personal care services of the sick or disabled at home;
- training in the identification of situations that require referral to a registered nurse, including significant changes in a client's condition;
- training in recordkeeping;
- training in ethical behavior and confidentiality of information;
- training in cardiopulmonary resuscitation;
- training in standard precautions for infection control;
- training in prevention of abuse and neglect; and
- training regarding dementia, for six hours and in person.

Current Law: MDH must adopt regulations that set standards for the care, treatment, health, safety, welfare, and comfort of individuals who receive home health care services through an RSA. The regulations must provide for the licensing of RSAs. The regulations must include provisions that (1) provide for the establishment of RSAs; (2) establish qualifications for licensure; (3) set minimum standards for individuals who provide home health care services through an RSA; and (4) require an RSA to screen and verify the character references of all home health care providers that are employed by the RSA.

Background: An RSA is an agency that provides supportive home care services, such as assistance with activities of daily living, housekeeping services, and some nursing services. An RSA may also provide one or more home care services or medical equipment (*e.g.*, oxygen, wheelchairs, walkers, hospital beds). As of July 1, 2019, 1,082 RSAs were licensed in the State.

MDH advises that, with the exception of the training related to dementia, all training requirements included under the bill are currently required under the Code of Maryland Regulations 10.07.05.11.

State Expenditures: Medicaid expenditures may increase by an indeterminate amount to compensate RSAs for additional training and uniform provider skills assessment from requirements under the bill.

Medicaid advises that it sets actuarially sound rates for RSAs and their providers on an annual basis and the current rate methodology is inclusive of existing RSA provider training requirements delineated in regulation. Medicaid further advises that, based on an analysis of RSA provider rates and Medicaid beneficiary utilization data, MDH estimates an approximate increase in RSA provider rates of \$1.00 per hourly unit to account for the new requirements. This would result in increased Medicaid expenditures of approximately \$2.5 million (37% general funds, 63% federal funds) in fiscal 2020, and approximately \$3.3 million (39% general funds, 61% federal funds) in subsequent years. However, the

Department of Legislative Services notes that the bill requires MDH to include the development and use of a uniform skills assessment form in *regulations*. Thus, the specific impact of the bill's requirement will depend on the regulations promulgated by MDH and a specific estimate of any increase in expenditures cannot be provided at this time.

Small Business Effect: To the extent Medicaid rates increase under the bill, revenues for small business RSAs increase to account for new training and uniform provider skills assessment requirements under the bill.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Health; Maryland Department of Aging; Maryland Department of Disabilities; Department of Human Services; Department of Legislative Services

Fiscal Note History: First Reader - March 12, 2019
mag/jc

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