

SENATE BILL 677

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By: **Senator Kelley**

Introduced and read first time: February 4, 2022

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Health Care Commission – Nursing Homes – Audit**

3 FOR the purpose of requiring the Maryland Health Care Commission to conduct a certain
4 annual audit of nursing homes in the State; requiring the Commission to conduct an
5 annual survey of the nursing home workforce; requiring the Commission to establish
6 a fee to be paid by each nursing home subject to the audit to cover the cost of the
7 audit; and generally relating to the Maryland Health Care Commission and an audit
8 of nursing homes.

9 BY adding to

10 Article – Health – General

11 Section 19–138

12 Annotated Code of Maryland

13 (2019 Replacement Volume and 2021 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

15 That the Laws of Maryland read as follows:

16 **Article – Health – General**

17 **19–138.**

18 **(A) ON OR BEFORE DECEMBER 1, 2023, AND EACH DECEMBER 1**
19 **THEREAFTER, THE COMMISSION SHALL:**

20 **(1) CONDUCT A COMPREHENSIVE AUDIT OF COST TRENDS, LABOR**
21 **ISSUES, AND FINANCIAL PERFORMANCE FOR EACH NURSING HOME LICENSED**
22 **UNDER § 19–1401 OF THIS TITLE; AND**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(2) USE THE AUDIT REQUIRED UNDER ITEM (1) OF THIS SUBSECTION**
2 **TO DEVELOP FINDINGS BY FACILITY TYPE AND OWNERSHIP GROUP AND ON AN**
3 **INDUSTRY-WIDE BASIS.**

4 **(B) THE AUDIT REQUIRED UNDER SUBSECTION (A)(1) OF THIS SECTION**
5 **SHALL INCLUDE THE FOLLOWING INFORMATION:**

6 **(1) GROSS AND NET PATIENT SERVICE REVENUES;**

7 **(2) OTHER SOURCES OF OPERATING AND NONOPERATING REVENUES;**

8 **(3) TRENDS IN RELATIVE PRICE, PAYER MIX, CASE MIX, UTILIZATION,**
9 **AND LENGTH OF STAY, SINCE CALENDAR YEAR 2010;**

10 **(4) AFFILIATIONS WITH OTHER HEALTH CARE PROVIDERS,**
11 **INCLUDING PREFERRED CLINICAL RELATIONSHIPS AND PROVIDERS;**

12 **(5) CATEGORIES OF COSTS, INCLUDING GENERAL AND**
13 **ADMINISTRATIVE COSTS, NURSING AND OTHER LABOR COSTS AND SALARIES,**
14 **BUILDING COSTS, CAPITAL COSTS, AND OTHER OPERATING COSTS;**

15 **(6) TOTAL SPENDING ON DIRECT PATIENT CARE AS A PERCENT OF**
16 **TOTAL OPERATING EXPENSES;**

17 **(7) OPERATING AND TOTAL MARGIN;**

18 **(8) OCCUPANCY RATES; AND**

19 **(9) ANY OTHER INFORMATION CONSIDERED NECESSARY BY THE**
20 **COMMISSION TO CONDUCT THE AUDIT.**

21 **(C) (1) IN CONDUCTING THE AUDIT REQUIRED UNDER SUBSECTION**
22 **(A)(1) OF THIS SECTION, THE COMMISSION SHALL ADMINISTER AN ANNUAL SURVEY**
23 **OF THE NURSING HOME WORKFORCE.**

24 **(2) THE WORKFORCE SURVEY REQUIRED UNDER PARAGRAPH (1) OF**
25 **THIS SUBSECTION SHALL:**

26 **(I) BE MADE AVAILABLE IN PAPER AND ELECTRONIC FORMAT;**

27 **(II) BE ANONYMOUS; AND**

28 **(III) INCLUDE QUESTIONS ON THE FOLLOWING AREAS:**

- 1 1. **WORKING CONDITIONS;**
- 2 2. **WAGES;**
- 3 3. **WORKING HOURS, INCLUDING ANY MANDATORY OR**
4 **VOLUNTARY OVERTIME;**
- 5 4. **INTERACTIONS WITH MANAGEMENT; AND**
- 6 5. **INTERACTIONS WITH RESIDENTS IN THE FACILITY.**

7 **(D) EACH YEAR, THE COMMISSION SHALL ESTABLISH A FEE TO BE PAID BY**
8 **EACH NURSING HOME SUBJECT TO THE AUDIT TO COVER THE COST OF THE AUDIT**
9 **REQUIRED UNDER SUBSECTION (A)(1) OF THIS SECTION.**

10 **(E) ON OR BEFORE DECEMBER 1, 2023, AND EACH DECEMBER 1**
11 **THEREAFTER, THE COMMISSION SHALL SUBMIT THE FINDINGS DEVELOPED UNDER**
12 **SUBSECTION (A)(2) OF THIS SECTION TO THE GOVERNOR AND, SUBJECT TO § 2-1257**
13 **OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.**

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 October 1, 2022.