

Department of Legislative Services
 Maryland General Assembly
 2023 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 490 (Delegate R. Lewis)
 Health and Government Operations

Residential Service Agencies - Employee Registry

This bill requires the Maryland Department of Health (MDH) to establish and maintain a registry of each employee of a residential service agency (RSA) who provides home health care. The registry must include specified information about each employee and be updated quarterly. Each RSA must collect and maintain the information required for the registry and submit the information to MDH in a timely manner. An RSA may not (1) require an employee to pay any costs related to the collection of information or (2) collect, maintain, or submit information about an employee who has been the victim of domestic violence, rape, sexual assault, or stalking. At the request of a labor union or similar employee organization, MDH must disclose the information in the registry. MDH must adopt regulations to carry out the bill.

Fiscal Summary

State Effect: MDH general fund expenditures increase by \$338,100 in FY 2024 for additional personnel to establish and maintain the registry and ensure RSA compliance with the bill. Future years reflect annualization and elimination of one-time costs. Revenues are not affected.

(in dollars)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	338,100	398,200	415,900	434,500	457,500
Net Effect	(\$338,100)	(\$398,200)	(\$415,900)	(\$434,500)	(\$457,500)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: Meaningful.

Analysis

Current Law: An RSA is an agency that employs or contracts with individuals to provide at least one home health care service for compensation to an unrelated sick or disabled individual. Some RSAs have nurses that provide skilled care and certified caregivers that provide assistance with activities of daily living. Other RSAs provide physical therapy, occupational therapy, or speech therapy, or durable medical equipment. RSAs are licensed by the Office of Health Care Quality (OHCQ) in MDH. As of January 2023, there were 1,874 licensed RSAs in Maryland.

State Expenditures: OHCQ must establish and maintain a registry of each employee of an RSA who provides home health care, including the employee's full name, identification number, job title, gender, home address, mailing address, completed trainings or certifications, and employer. Data must be submitted by all 1,874 licensed RSAs, each of which have anywhere from between one and more than 1,000 staff. The registry must be updated on at least a quarterly basis. OHCQ notes that, historically, RSAs have about a 35% compliance rate with new regulatory requirements. Noncompliance with the reporting requirement will result in OHCQ issuing a statement of deficiencies to the RSA, which must in turn submit a plan of correction that includes the submission of any outstanding data. OHCQ has existing authority to take enforcement actions against an RSA's license for failure to comply.

OHCQ advises that it can create a secure registry using existing software. However, additional personnel are necessary to populate the registry with data submitted by RSAs, update the registry at least quarterly, and ensure compliance. Thus, OHCQ general fund expenditures increase by \$338,077 in fiscal 2024, which accounts for the bill's October 1, 2023 effective date. This estimate reflects the cost of hiring five personnel to establish and maintain the registry, adopt related regulations, ensure that RSAs comply with bill's requirements, and take necessary enforcement actions as needed. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Positions	5.0
Salaries and Fringe Benefits	\$301,032
Operating Expenses	<u>37,045</u>
Total FY 2024 State Expenditures	\$338,077

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

Small Business Effect: Quarterly reporting of all personnel that provide home health care to OHCQ places an administrative burden on RSAs, the majority of which are small businesses.

Additional Comments: MDH advises that the bill may disrupt delivery of services provided by RSAs to Medicaid participants. RSAs must be in good standing with OHCQ to participate as Medicaid providers. Failure to comply with these reporting requirements would jeopardize both RSAs' licensure status with OHCQ and their status (and ability to bill) as Medicaid providers.

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 230 (Senator Beidle) - Finance.

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

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