

Department of Legislative Services
 Maryland General Assembly
 2023 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1231 (Delegate Rosenberg)
 Health and Government Operations

Maryland Department of Health – Workgroup to Study the Establishment of an Affordable Assisted Living Enhanced Care Program

This bill requires the Maryland Department of Health (MDH) to convene a Workgroup to Study the Establishment of an Affordable Assisted Living Enhanced Care Program in the State. By November 1, 2023, MDH must submit a report to the Governor and the General Assembly that includes the findings and recommendations of the workgroup. **The bill takes effect June 1, 2023, and terminates June 30, 2024.**

Fiscal Summary

State Effect: MDH general fund expenditures increase by \$9,200 in FY 2023 and \$13,600 in FY 2024 for contractual personnel to staff the workgroup. Revenues are not affected.

(in dollars)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	9,200	13,600	0	0	0
Net Effect	(\$9,200)	(\$13,600)	\$0	\$0	\$0

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

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: “Assisted living residence” 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 meets the needs of

individuals who are unable to perform or need assistance in performing the activities of daily living or instrumental activities of daily living in a way that promotes optimum dignity and independence for the individuals.

“Enhanced care” means provision of services in addition to the provision of services of an assisted living residence, such as (1) person-centered, individualized care planning; (2) regular, proactive monitoring of health status; (3) care management; (4) medication management; (5) assessment and referral to therapy and restorative nursing programs; (6) health and wellness programs; (7) activities programs; (8) dietary services; and (9) use of electronic medical records to improve care monitoring, improve quality oversight, and support the tracking and reporting of quality indicators.

The workgroup must include representatives of MDH, providers of assisted living services, present and future consumers of assisted living services, subject matter experts, and other relevant stakeholders. The study must include an examination of:

- the need for assisted living residences that provide enhanced care services;
- characteristics of individuals who could benefit from enhanced care services provided in assisted living residences;
- the types of services that should be provided under a program establishing affordable assisted living residences with enhanced care services;
- the number and location of affordable assisted living residences with enhanced care services to establish under a program;
- criteria for ensuring the affordability of assisted living residences with enhanced care services under a program;
- sources of available funding and funding levels needed to support a program establishing affordable assisted living enhanced care residences, including funding from Medicaid;
- permissible uses of funding received by participating assisted living residences under a program;
- criteria for selecting affordable assisted living enhanced care residences to participate in a program;
- eligibility criteria for residents of affordable assisted living enhanced care residences under a program;
- outcome measures to evaluate the effectiveness of a program; and
- any other relevant issues or considerations identified by the workgroup.

Current Law: An “assisted living program” is a residential or facility-based program that provides housing and supportive services, supervision, personalized assistance, health-related services, or a combination of such services that meets the needs of

individuals who need assistance with the activities of daily living. In Maryland, assisted living programs are licensed by MDH’s Office of Health Care Quality.

State Expenditures: As the workgroup has only five months to complete its study and submit a report, MDH requires additional resources to implement the workgroup. Thus, MDH general fund expenditures increase by \$9,213 in fiscal 2023, which accounts for the bill’s June 1, 2023 effective date, and \$13,647 in fiscal 2024. This estimate reflects the cost of hiring one contractual part-time (50%) health policy analyst II to staff the workgroup and submit the report by November 1, 2023. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

	<u>FY 2023</u>	<u>FY 2024</u>
Contractual Position	0.5	(0.5)
Salary and Fringe Benefits	\$2,557	\$13,424
Operating Expenses	<u>6,656</u>	<u>223</u>
Total State Personnel Expenditures	\$9,213	\$13,647

This analysis assumes the contractual position terminates November 30, 2023, as the workgroup report must be submitted by November 1, 2023.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State’s implementation of the federal Patient Protection and Affordable Care Act.

Additional Information

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

Designated Cross File: SB 884 (Senator M. Washington) - Finance.

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

Fiscal Note History: First Reader - March 13, 2023
km/ljm

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