

**Department of Legislative Services**  
Maryland General Assembly  
2025 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

House Bill 36

(Chair, Health and Government Operations  
Committee)(By Request - Departmental - Aging)

Health and Government Operations

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**Department of Aging – Aging Services – Program Repeal and Consolidation**

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This departmental bill repeals the requirement that the Secretary of Aging develop congregate housing services and assisted living programs for seniors; instead, the Maryland Department of Aging (MDOA) must develop, coordinate, and administer a system to provide specified services. The bill repeals the Interagency Committee on Aging Services and instead transfers specified committee responsibilities to MDOA and clarifies and expands those responsibilities. The bill replaces references to “seniors” with “older adults” in specified sections of the Human Services Article. The bill must be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any cause of action arising before the effective date of the bill. **The bill takes effect July 1, 2026.**

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**Fiscal Summary**

**State Effect:** The bill’s requirements can likely be absorbed within existing budgeted resources, as discussed below. To the extent MDOA enters into agreements or contracts with specified entities to coordinate services to older adults, general fund expenditures may increase beginning in FY 2027. Revenues are not affected.

**Local Effect:** To the extent MDOA enters into agreements or contracts with local governments to provide services authorized under the bill, local government revenues and expenditures may increase.

**Small Business Effect:** MDOA has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

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## Analysis

### Bill Summary:

#### *Reconfiguration of Major Departmental Programs*

By repealing the authorizing statutes for MDOA's congregate housing (§§ 10-209 and 10-210 of the Human Services Article) and assisted living program responsibilities (§ 10-211 of the Human Services Article) and expanding MDOA's statute under Title 10, Subtitle 3 of the Human Services Article to include authorization to provide similar services, the bill combines the Senior Care, Senior Assisted Living Subsidy (SALS), and Congregate Housing Services Provider (CHSP) programs under the Senior Care statute.

#### *Repeal of the Interagency Committee on Aging Services*

As the interagency committee is repealed, the bill clarifies and specifies the duties transferred to MDOA. MDOA *may* enter into agreements and contracts and adopt regulations, policies, and procedures to implement and coordinate services to older adults. MDOA *may* collaborate with county agencies, area agencies on aging (AAAs), nonprofit organizations, or other persons that establish local interagency committees.

MDOA must establish, coordinate, *and supervise* a program to provide single points of entry within each planning and service area. Each AAA must continue to operate a single point of entry program to assess the needs of *older adults* (rather than seniors) and their caregivers and provide appropriate services.

AAAs (rather than local interagency committees on services to seniors) must make agreements with *nonprofit organizations or other persons as needed* and provide staff on a regular basis at the single points of entry to provide information and services to older adults in need of long-term services and administer agency programs.

MDOA must develop, *coordinate, and administer with AAAs or other persons* a system to provide services to older adults in need of long-term services and supports to allow older adults to age in their selected location with appropriate services, supports, and housing opportunities. The services *may* include (1) integrated screening and evaluation; (2) development of an individual plan of care; (3) in-home services, as specified; (4) *community-based* services such as day care, *food and other meal coordination*, and other efforts to assist older adults or adult caregivers; (5) *a subsidy for the costs of an assisted living program*; (6) *any other service that may mitigate the risk of impact to, or improve resilience or, housing or services of older adults by natural, technological, or human-made threats and hazards, including climate change*; and (7) *any other service*

*authorized by MDOA. To be eligible to participate in the system, a county, AAA, nonprofit organization, or any other person must comply with MDOA standards.*

**Current Law:** MDOA coordinates, evaluates, and plans the delivery of services for, and advocates on behalf of, older adults at all levels of government. The department also administers programs and activities under the provisions of the federal Older Americans Act. Most of the direct services funded by MDOA are delivered through AAAs.

In Maryland, each of the 23 counties and Baltimore City designate an AAA. The agency may be a unit of local government or a private, nonprofit corporation. AAAs provide a variety of adult services, incorporating assisted living, protective services, and temporary disability programs.

### *Interagency Committee on Aging Services*

The 12-member Interagency Committee on Aging Services comprises, among other representatives, the Secretaries of Aging, Disabilities, Health, Housing and Community Development, and Human Services. The committee must develop and update annually a plan for providing services to seniors in the State consistent with priorities established by MDOA. The committee must present a report before each legislative session to the General Assembly on the developed plan, the activities of the committee, and the status of services to seniors in the State.

The committee must establish interagency agreements and adopt regulations to (1) implement and coordinate services to seniors consistent with the developed plan; (2) maximize the sharing of resources among units of State government for services to seniors; (3) consolidate planning and evaluation efforts at the State and local levels; and (4) coordinate and expedite the delivery of services to seniors by providing technical assistance to local agencies. The committee must also assist county agencies to establish local interagency committees to coordinate and expedite the delivery of services to seniors.

The committee must establish and coordinate a program to provide single points of entry within each planning and service area. MDOA must supervise the program. Additionally, each area agency must operate a single point of entry program to assess the needs of seniors and their caregivers and provide appropriate services, as specified. To the extent possible, each single point of entry must be located in a senior citizen center and available for access at least five days a week. Local interagency committees on services to seniors must make agreements to provide staff on a regular basis at the single points of entry to provide information and services to seniors and administer agency programs.

The committee must also develop a system to provide services to frail or health-impaired seniors at risk of institutionalization and coordinate the system among the agencies

represented on the committee. MDOA must administer the system for the committee. Services must include (1) integrated screening and evaluation; (2) development of an individual plan of care; (3) in-home services, as specified; and (4) community services, as specified, to assist seniors or adult caregivers in providing care for seniors.

To be eligible to participate in the system, a county or counties must establish a community-based plan that:

- is developed by a local or regional committee composed of specified stakeholders;
- is consistent with the plan for providing coordinated services for seniors;
- specifies administrative arrangements to evaluate and develop care plans for frail or health-impaired seniors;
- encourages further coordination of service delivery; and
- fosters individual contributions for services provided, the development of innovative service delivery, the development of services in conjunction with the private sector, and community involvement through the use of volunteers.

The committee, through MDOA, must work with local health departments, local departments of social services, area agencies, and local housing, transportation, economic development, and employment development officials to develop a system to designate case managers to secure and manage necessary services for each frail or health-impaired senior in need and guidelines to establish local or regional committees to coordinate the services system.

### *Congregate Housing Services*

Under §§ 10-209 and 10-210 of the Human Services Article, “congregate housing services” means services provided in an apartment building that promote independent living for an eligible individual. Congregate housing services must include congregate meals, housekeeping, and personal services. An individual is eligible for congregate housing services if they are at least 62 years old and have temporary or periodic problems with one or more essential activities of daily living (ADLs), such as feeding, bathing, grooming, dressing, or transferring. The spouse of an eligible individual is also eligible if they are at least 55 years old and also have temporary or periodic difficulty with one or more ADLs. A congregate housing services program must be certified by the Secretary.

The Secretary must develop congregate housing services programs for seniors in conjunction with public or private for-profit or nonprofit corporations or State or federal units. Among other things, the Secretary must also:

- make maximum use of rent and other subsidies available from federal and State sources;
- provide for subsidies necessary from State general funds to assist low-income seniors to reside in congregate housing as an alternative to more costly institutional care that is not required;
- find sponsors or managers for congregate housing services programs;
- assist developers in formulating design concepts and meeting program needs;
- when necessary, provide subsidies for congregate meals, housekeeping, and personal services and develop eligibility requirements for the subsidies; and
- adopt regulations to govern the certification and operation of congregate housing services programs and provide for investigations of criminal records of congregate housing services providers and employees.

The Secretary may impose a civil money penalty against a provider of congregate housing services for specified violations. The civil money penalty may not exceed \$20 per violation per resident for each day that a violation remains uncorrected after the time set for correction. A penalty may not exceed \$1,000 per violation or \$5,000 in total.

#### *Assisted Living Programs*

Section 19-1801 of the Health-General Article defines an “assisted living program” as 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 ADLs.

Under § 10-211 of the Human Services Article, the Secretary must develop assisted living programs for seniors in conjunction with public or private for-profit or nonprofit corporations or State and federal units. Among other things, the Secretary must also:

- make maximum use of rent and other subsidies available from federal and State sources;
- provide for and set, by regulation, the amount of subsidies necessary from State general funds to assist low-income seniors to reside in assisted living programs as an alternative to more costly institutional care that is not required;
- provide subsidies, when necessary and in accordance with available funds, for congregate meals, housekeeping, and personal services for assisted living programs and develop eligibility requirements for subsidies;
- adopt regulations to govern eligibility requirements for subsidies;
- find sponsors for assisted living programs; and
- assist developers in formulating design concepts and meeting program needs.

The Secretary must review the compliance of assisted living programs with the regulations that the Secretary of Health adopts for licensing these programs to operate in the State.

**Background:** MDOA advises that the bill is intended to combine three existing programs (Senior Care, SALS, and CHSP) under one umbrella to facilitate MDOA in managing the programs as one singular program. According to MDOA, each of the three programs are authorized separately by outdated statutes and regulations that provide different eligibility criteria and the programs have struggled with stagnant growth and inefficient use of funds. Under the bill, MDOA hopes to provide the same services under a single statutory, programmatic, and budgetary umbrella.

MDOA further advises that the Interagency Committee on Aging Services has not met since 2014 as the committee no longer aligns with MDOA operations.

**State Fiscal Effect:** The fiscal 2026 budget as introduced includes \$20.1 million in general funds for the three MDOA programs affected by the bill; specifically, \$13.2 million for Senior Care, \$4.9 million for SALS, and \$1.9 million for CHSP. This analysis assumes that these funds will be used for the singular combined program beginning in fiscal 2027, following the July 1, 2026 effective date of the bill.

MDOA advises that existing staff resources for the three separate programs are sufficient to meet the requirements of the bill. MDOA advises that it will request that the Department of Budget and Management consolidate the three funding streams into a single one and rename the broadened program appropriately.

Under the bill, MDOA may enter into specified agreements or contracts with county agencies, AAAs, nonprofit organizations, or other persons that establish local interagency committees to coordinate services to older adults. To the extent that MDOA enters into such agreements, general fund expenditures may increase beginning in fiscal 2027.

**Local Fiscal Effect:** As mentioned above, under the bill, MDOA may enter into agreements or contracts as appropriate with AAAs, some of which may be units of local government. MDOA may also enter into agreements with other county agencies to provide program services. Under such agreements, local government revenues and expenditures may increase to provide services.

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### **Additional Information**

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

**Designated Cross File:** SB 212 (Chair, Finance Committee)(By Request - Departmental - Aging) - Finance.

**Information Source(s):** Maryland Association of County Health Officers; Maryland Department of Aging; Department of Commerce; Anne Arundel, Baltimore, Cecil, and Frederick counties; Maryland Association of Counties; Maryland Department of Health; Department of Housing and Community Development; Department of Human Services; Maryland Department of Labor; Department of Legislative Services

**Fiscal Note History:** First Reader - January 21, 2025

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## ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Department of Aging - Aging Services - Program Repeal and Consolidation

BILL NUMBER: HB 36

PREPARED BY: Andrea Nunez

### PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

X WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

**OR**

   WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

### PART B. ECONOMIC IMPACT ANALYSIS

The agency expects minimal economic impact on small businesses in Maryland.

These are the impacted outside stakeholders from this program reconfiguration bill and accompanying budgeting changes:

1. **Maryland's 19 AAAs** – these are largely significant units within county governments, often housed within a county human service agency. Three nonprofit AAAs exist in certain Eastern Shore counties and Washington County.
2. **Ten current Congregate Housing Service Providers** (non-profits, local governments and housing authorities) that currently have agreements with the Department to provide certain supportive services to older adults living in 22 buildings. Most of these are long-time contracting relationships with MDOA. Current providers include: Catholic Charities (operates in 5 counties), Good Samaritan, the Housing Authorities of Baltimore City, Annapolis, Cumberland, B'nai B'rith Montgomery County, Garrett County Community Action and others. The full list of providers, funding, people served and waitlist were described in [a 2023 JCR report](#). Catholic Charities is the largest provider and provides services in 5 counties.



3. **211 assisted living facilities participating in the Senior Assisted Living Subsidy Program.** These are predominantly smaller and mid-sized, more affordable assisted living facilities across Maryland. AAAs are responsible for managing these relationships and the precise number participating in each jurisdiction tends to be relatively fluid.
4. **Approximately 1,000 older Marylanders** who receive either a subsidy for their assisted living monthly costs through the SALS program or supportive services in their senior (age-restricted or congregate) housing settings through the CHSP program.

After bill passage, the Department plans to:

1. request DBM consolidate the 3 separate budget lines into the same Senior Care funding line item,
2. rename the reconfigured Senior Care program appropriately and reflect that new name as well as eligibility, what services are covered, guardrails on how funds may be spent, and any other appropriate information in a single set of new regulations and agency policy directive (a manual) to smoothly guide area agencies on aging (AAAs).
3. repeal the existing SALS and CHSP regulations and agency guidance.

This is not a reduction in funds or programming, but a shift in a very small portion of the state budget, \$7M for SALS and CHSP, changing hands to be managed more efficiently and effectively by the Area Agencies on Aging, which are typically located in County governments, within human service agencies.

This bill assisted living providers currently participating in the SALS subsidy program are predominantly smaller and mid-sized, more affordable assisted living facilities. These are mostly small businesses and many have subcontractors for certain services. It is possible that individual AAAs will elect not to continue providing the same, or any level of assisted living subsidy as existed under the SALS program and some or all of the 211 current assisted living providers will lose residents and income temporarily because of it.

The housing communities and service providers that currently participate in the CHSP program are not small businesses. However, it is likely that many CHSP providers utilize subcontractors of different sizes to provide certain services (i.e. laundry, housekeeping, food). It is possible that individual AAAs will elect not to continue contracting with these 10 organizations for the same, or any level of services as existed under the CHSP program resulting in a loss of long-time contracts for them.