

SENATE BILL 340

O2, J1

6lr2571
CF HB 671

By: **Senator Hettleman**

Introduced and read first time: January 23, 2026

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 6, 2026

CHAPTER ____

1 AN ACT concerning

2 ~~**Nursing Facilities – Medicaid Quality Assessment – Funding of Office of the**~~
3 ~~**Long-Term Care Ombudsman – Mandatory Appropriation**~~

4 FOR the purpose of requiring the Governor to include in the annual budget bill a minimum
5 ~~percentage of the special funds collected from the Medicaid quality assessment~~
6 ~~imposed on certain nursing facilities to fund the operations of~~ appropriation for the
7 Office of the Long-Term Care Ombudsman from certain money remitted by managed
8 care organizations and, under certain circumstances, general funds; and generally
9 relating to the ~~quality assessments imposed on nursing facilities~~ Office of the
10 Long-Term Care Ombudsman.

11 ~~BY repealing and reenacting, with amendments,~~
12 ~~Article – Health – General~~
13 ~~Section 19–310.1~~
14 ~~Annotated Code of Maryland~~
15 ~~(2023 Replacement Volume and 2025 Supplement)~~

16 BY repealing and reenacting, ~~without~~ with amendments,
17 Article – Human Services
18 Section 10–903
19 Annotated Code of Maryland
20 (2019 Replacement Volume and 2025 Supplement)

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
22 That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



~~Article Health General~~~~19-310.1.~~

~~(a) (1) This section applies to a nursing facility, as defined in § 19-301 of this subtitle, that:~~

~~(i) Has 45 or more beds; and~~

~~(ii) Operates in the State.~~

~~(2) This section does not apply to a nursing home bed in a continuing care retirement community that has obtained a certificate of registration to provide continuing care under Title 10, Subtitle 4 of the Human Services Article.~~

~~(b) (1) The Department may impose a quality assessment on each freestanding nursing facility subject to this section.~~

~~(2) The amount assessed in the aggregate on all nursing facilities may not exceed 6.0% of the operating revenue for all nursing facilities subject to this section for the previous fiscal quarter.~~

~~(3) The assessment authorized by this section shall be paid by each nursing facility in accordance with this section.~~

~~(c) (1) On or before the 60th day after each quarter of the State fiscal year, each nursing facility subject to this section shall pay to the Comptroller an amount determined by the Department based on an amount per non-Medicare day of service for the previous fiscal quarter.~~

~~(2) The assessment shall be based on an amount per patient day, not including Medicare days.~~

~~(d) (1) [All] EXCEPT AS PROVIDED UNDER PARAGRAPH (3) OF THIS SUBSECTION, ALL amounts collected by the State Comptroller under this section shall be distributed to a special fund, to be used by the Department only to fund reimbursements to nursing facilities under the Medicaid program.~~

~~(2) At least 65% of the funds allocated by the Department as reimbursements to nursing facilities under this section shall be in addition to and may not supplant funds already appropriated for this purpose.~~

~~(3) (i) IN FISCAL YEAR 2027 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AT LEAST 3% OF THE FUNDS COLLECTED BY THE DEPARTMENT UNDER THIS SECTION TO FUND THE~~

~~OPERATIONS OF THE OFFICE OF THE LONG TERM CARE OMBUDSMAN IN THE
DEPARTMENT OF AGING.~~

~~(H) FUNDS APPROPRIATED UNDER SUBPARAGRAPH (I) OF THIS
PARAGRAPH SHALL BE IN ADDITION TO AND MAY NOT SUPPLANT FUNDING THAT
WOULD OTHERWISE BE APPROPRIATED FOR THE OFFICE OF THE LONG TERM CARE
OMBUDSMAN.~~

~~(e) The Department shall adopt regulations to implement this section.~~

~~(f) On or before September 1, 2015, and each year thereafter, the Department
shall report to the General Assembly, in accordance with § 2-1257 of the State Government
Article, on the implementation of this section, including:~~

~~(1) The percentage and amount of the assessment charged to each nursing
facility subject to this section;~~

~~(2) The number of nursing facilities subject to this section with a net loss;
and~~

~~(3) A comparison of the total amount provided in the Medicaid budget for
nursing home reimbursement in the current fiscal year to the actual amount received in
the immediately prior fiscal year.~~

Article – Human Services

10–903.

(a) There is an Office of the Long–Term Care Ombudsman in the Department.

(b) (1) Unless the Secretary is subject to a conflict of interest that cannot be removed, the Secretary shall select a State Long–Term Care Ombudsman.

(2) If the Secretary is subject to a conflict of interest that cannot be removed, the Secretary shall designate another individual, who is not subject to a conflict of interest, to select the State Long–Term Care Ombudsman.

(c) The State Long–Term Care Ombudsman:

(1) shall personally administer the Office;

(2) shall have expertise and experience in the field of long–term care advocacy;

(3) may not have any conflict of interest with the position; and

(4) shall, on a full-time basis, perform duties related to the Program.

(d) The State Long-Term Care Ombudsman shall personally or through designated ombudsmen:

(1) identify, investigate, and resolve complaints from any source made by, or on behalf of, a resident relating to any action, inaction, or decision, that may adversely affect the health, safety, welfare, or rights of a resident including the welfare and rights of residents with respect to the appointment and activities of guardians and representative payees, of:

(i) a provider, or a representative of a provider, of long-term care services;

(ii) a public agency; or

(iii) a health or social service agency;

(2) represent the interests of residents before governmental agencies and seek administrative, legal, and other remedies to protect the health, safety, welfare, and rights of residents;

(3) provide information as appropriate to other agencies and the public regarding the problems and concerns of residents;

(4) inform residents, family members, and others acting on behalf of residents about how to access the assistance and services of the Office and the services and assistance of other providers or agencies, including legal services;

(5) ensure regular and timely access to and response from the Office;

(6) comment on, facilitate public comment on, and recommend changes to existing or proposed laws, rules, regulations, and other governmental policies and actions that affect the health, safety, welfare, and rights of residents;

(7) provide technical support for the development of resident and family councils to protect the well-being and rights of residents;

(8) provide for the education and training of ombudsmen;

(9) educate facilities, agencies, and staff members concerning the rights and welfare of residents;

(10) promote the development of citizen organizations to advocate for the well-being and rights of residents;

(11) provide services to assist residents in protecting the health, safety, welfare, and rights of residents; and

(12) carry out any other activities that the Secretary determines to be appropriate or that are required by the federal Older Americans Act.

(E) (1) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, IN FISCAL YEAR 2027 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AT LEAST \$2,000,000 FOR THE OFFICE FROM THE MONEY REMITTED BY MANAGED CARE ORGANIZATIONS UNDER COMAR 10.67.04.19-4(I) IN THE SECOND IMMEDIATELY PRECEDING FISCAL YEAR.

(II) IF THE TOTAL AMOUNT OF MONEY REMITTED BY MANAGED CARE ORGANIZATIONS IN THE SECOND IMMEDIATELY PRECEDING FISCAL YEAR TOTALS LESS THAN \$2,000,000, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL A GENERAL FUND APPROPRIATION EQUAL TO THE DIFFERENCE BETWEEN THE AMOUNT REMITTED AND \$2,000,000.

(2) FUNDS APPROPRIATED UNDER THIS SUBSECTION SHALL BE IN ADDITION TO AND MAY NOT SUPPLANT FUNDING THAT WOULD OTHERWISE BE APPROPRIATED FOR THE OFFICE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2026.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.