



The Senate of Maryland
ANNAPOLIS, MARYLAND 21401

TESTIMONY OF SENATOR SHELLY HETTLEMAN

SB 966 – HEALTH FACILITIES – ASSISTED LIVING PROGRAMS – REFERRALS AND
LICENSES

This is a bill about safety and transparency. Our population is aging. According to the Maryland Department of Aging's State Plan on Aging, "between 2015 and 2030, Maryland's 60 and older population is anticipated to increase from 1.2 million to 1.7 million, a 40% increase." Older adults are going to be a larger percentage of our population, expected to rise to just over a quarter of Maryland's population in 2030, up from 18% in 2015. And, individuals between the ages of 80-84 are the fastest growing segment of the population.

As we age, we need more help with daily activities and we may not be able to live completely independently, so we and our loved ones seek supportive housing at assisted living facilities. Because our choices in the community can be overwhelming and the decision-making daunting, many people we seek help from assisted living referral entities. These are private, sometimes free services that we can call to get information about care and housing for our family members.

What we don't know when we call one of these services and get a list of referrals, is that there may be financial incentives built into the list we are provided. We get the list for free, but many agencies have a financial arrangement with the facilities to which they are referring so that they get compensated – sometimes at the rate of one month's rent (which can be many thousands of dollars) – when you or your loved one signs a contract to move in. We also don't know whether the person who is providing the list is making a commission and is incentivized to get one to sign any contract rather than the one most appropriate for your family member.

It's important for consumers to know whether there are built in incentives for what kind of information they are provided. This bill will require that referral agencies are transparent and provide the consumer with the appropriate information necessary to make an informed decision and will require that they register with the Office of Health Care Quality for oversight.

This bill is also about safety and puts provisions in place for holding people who refer to and are operating unlicensed facilities accountable. I continue to hear stories – and you will hear some today – from community members who are referred to facilities that are unlicensed. Perhaps they were first referred to someplace licensed and then moved quietly to a second facility operated by the same owner. These facilities are frequently hard to track down and difficult to shut down. Finally, this bill will enable the Office of the Attorney to investigate and hold these operators accountable.

These transparency and safety issues are important for our aging population. I hope you will agree and give SB 966 a favorable report. Thank yo