



Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Dennis R. Schrader, Acting Secretary

February 4, 2021

The Honorable Delores G. Kelley, Chair  
Senate Finance Committee  
3 East Miller Senate Office Building  
Annapolis, MD 21401-1991

**RE: SB 275 – Maryland Department of Health – Residential Agencies – Training Requirements – Letter of Information**

Dear Chair Kelley and Committee Members:

The Maryland Department of Health (MDH) respectfully submits this letter of information for SB 275 – Maryland Department of Health – Residential Agencies – Training Requirements.

SB 275 requires all staff who work within a residential service agency to receive three hours of training relating to dementia within 45 days of being hired. Additionally, the bill enacts new continuing education requirements for all staff who work in these programs. The bill would take effect October 1, 2021.

The bill would have a significant impact on State Medicaid rates. The Department sets Medicaid rates for their providers on an annual basis, with rate methodology inclusive of training and continuing education requirements. The Department estimates an approximate increase in residential service agency provider rates of \$0.25 per hour would be required to offset additional costs. Assuming the rate usage of 13.4 million hours will stay consistent, the Department estimates the cost of the rate increases will be \$836,000 per year, with a 4 percent annual rate increase starting in FY2023. The rate increase due to the required training would bring the total cost of residential services to \$128.4 million annually.

The Department estimates SB 275 would have a fiscal impact of \$627,430 TF (\$313,715 GF, \$313,715 FF) for FY 2022 and \$870,036 (\$435,018 GF, \$435,018 FF) for FY 2023.

I hope this information is useful. If you have questions or need more information about this subject, please do not hesitate to contact me at (410) 260-3190 or [webster.ye@maryland.gov](mailto:webster.ye@maryland.gov) or Assistant Director of Governmental Affairs Emily Berg at [emily.berg@maryland.gov](mailto:emily.berg@maryland.gov) or at the same number.

Sincerely,

Webster Ye  
Assistant Secretary, Health Policy