



**TESTIMONY BEFORE THE
SENATE FINANCE COMMITTEE**

March 10, 2021

Senate Bill 896: Workgroup on the COVID-19 Crisis Economic Recovery

Written Testimony Only

POSITION: FAVORABLE

On behalf of the members of the Health Facilities Association of Maryland (HFAM), we appreciate the opportunity to express our support for Senate Bill 896: Workgroup on the COVID-19 Crisis Economic Recovery.

HFAM represents over 170 skilled nursing centers and assisted living communities in Maryland, as well as nearly 80 associate businesses that offer products and services to healthcare providers. Our members provide services and employ individuals in nearly every jurisdiction of the state. HFAM members provide the majority of post-acute and long-term care to Marylanders in need: 6 million days of care across all payer sources annually, including more than 4 million Medicaid days of care and one million Medicare days of care.

Senate Bill 896 would establish the Workgroup on the COVID-19 Crisis Economic Recovery, which will make recommendations regarding how the State may best cope with the economic challenges posed by the COVID-19 pandemic and in particular the economic effect of the pandemic on telehealth, telework, online education, unemployment compensation, tax system modernization, changes in real estate, rebuilding the public health system, and other impacts on public service.

We have covered a great deal of ground in our fight against COVID-19 over the last year. The fact we are now talking about vaccine deployment is a credit to our scientists and our medical-industrial complex.

As distribution of COVID-19 vaccines continue, long-term care centers have seen a major decline in the number of new cases among residents and staff. Nationally, the number of COVID cases among residents in nursing homes has fallen by 89 percent since mid-December when cases were at their peak, according to data from the Centers for Medicare & Medicaid Services (CMS). New resident cases are also at their lowest levels since the CMS began tracking data in May 2020.

While there is a light at the end of the tunnel thanks to vaccine distribution, all industries and businesses across Maryland will be dealing with lasting impacts of the pandemic for years to come. It is critical that we proactively find opportunities in the challenges highlighted by this crisis.

Due to the nature of the virus relative to our patients and diverse communities, long-term and post-acute care centers have been on the front lines of the COVID-19 pandemic for more than a year. The pandemic has highlighted the chronic underfunding of Medicaid in our sector, workforce recruitment and retention challenges, and the aging physical infrastructure of our sector in Maryland and across the country.

Expenses related to fighting COVID-19 were at historic highs while revenues were at historic lows. Throughout the pandemic, our centers faced unprecedented costs on personal protective equipment (PPE), staffing, and hero pay bonuses while dealing with a loss of revenue due to declined census and observation and isolation requirements.

Across industries COVID-19 has taken not only a financial toll, but it has taken an emotional toll on workers, impacted the way business is done, and has changed the day-to-day lives of individuals and families. We must make time to identify challenges brought on and highlighted by the pandemic and find solutions going forward. Together we have a tremendous opportunity to work in partnership to rebuild, reform, and come back stronger than before.

We are thankful for the Committee's leadership on behalf of Marylanders in need. We look forward to our continued work together to protect quality care and support healthcare jobs.

For these reasons, we request a favorable report from the Committee on Senate Bill 896.

Submitted by:

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