



*Keeping You Connected...Expanding Your Potential...
In Senior Care and Services*

TO: The Honorable Shane E. Pendergrass, Chair
Members, House Health and Government Operations Committee
The Honorable Geraldine Valentino-Smith

FROM: Danna L. Kauffman
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DATE: February 18, 2021

RE: **SUPPORT** – House Bill 674 – *Nursing Homes – Transfer of Ownership – Site Visits and Surveys*

On behalf of the LifeSpan Network, the largest and most diverse senior care provider association in Maryland representing the continuum of senior care, including nursing homes, we support House Bill 674. House Bill 674 requires that, if ownership of a licensed nursing home is transferred to a person that does not own or operate another nursing home in the State at the time of the transfer, the Department must make site visits and conduct a full survey of the licensed nursing home at one month, three months and six months after the date of the transfer.

There has been growing concern regarding the increase in investor-owned organizations purchasing nursing homes.¹ Often these purchases result in complex ownership structures where the operating company is separate from the property company. Federal law requires Medicare-reimbursed nursing homes to report both direct and indirect ownership over five percent to Medicare's Provider Enrollment, Chain, and Ownership System database. Maryland's reporting is more stringent and requires disclosure of ownership of two percent or more. However, the federal government does not have specific standards for states to use for approving changes in ownership or management.

House Bill 674 seeks to address the issue of change of ownership by ensuring that, once a Maryland nursing home is transferred to an out-of-state entity, there is no diminution of care or other reduction in services through the survey process. We urge a favorable report.

¹ The federal the Housing and Economic Recovery Act of 2008 allowed real estate investment trusts to buy health care facilities.