



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

March 8, 2022

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

RE: SB 743 – Maryland Medical Assistance Program – Affordable Assisted Living Enhanced Care Pilot Program

Dear Chair Kelley and Committee Members:

The Maryland Department of Health (MDH) respectfully submits this letter of information on SB 743 – Maryland Medical Assistance Program – Affordable Assisted Living Enhanced Care Pilot Program.

SB 743 requires the Maryland Medical Assistance Program (Medicaid) to establish a pilot program of up to four (4) Affordable Assisted Living Enhanced Care Residences of 80-150 units for elderly residents, including at least one urban and one rural site. The pilot would provide funding to the sites for a) recruitment and training of staff, b) to reimburse for “bundled payment rates” at a rate set at 60% of current Nursing Facility daily rates (\$175.64), and c) “for other purposes necessary.” Medicaid would be required to seek appropriate authority from the Centers for Medicare and Medicaid Services to operate the pilot. SB 743 also requires Medicaid to evaluate the effectiveness of the pilot and report to the Governor and Maryland General Assembly its findings and recommendations on or before Nov. 1, 2024.¹

MDH notes that the types of services covered through the pilot are similar to benefits available through the Community Options Waiver. The Community Options waiver allows eligible individuals who need nursing home-level care to receive care services in their home or a group living community facility rather than a nursing home. Demand for these services is high and there is currently a waitlist. The proposed pilot would have the unintended and inequitable result of allowing certain individuals to bypass the Community Options waiver waitlist entirely, disadvantaging those who have sought care for a longer period of time.

If you have any questions or would like to discuss this further, please contact Heather Shek, Director of Governmental Affairs, at heather.shek@maryland.gov or (443) 695-4218.

Sincerely,

Dennis R. Schrader
Secretary

¹ The Department notes that there may be a drafting error regarding the timing of the reporting requirement based upon language beginning the phase-in of the Pilot in FY 2025.