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In Senior Care and Services*

TO: The Honorable Delores G. Kelley, Chair
Members, Senate Finance Committee
The Honorable Mary Washington

FROM: Danna L. Kauffman
Pamela Metz Kasemeyer

DATE: March 8, 2022

RE: **LETTER OF INFORMATION** – Senate Bill 743 – *Maryland Medical Assistance Program – Affordable Assisted Living Enhanced Care Pilot Program*

On behalf of the LifeSpan Network, the largest and most diverse senior care provider association in Maryland representing nursing facilities, assisted living providers, continuing care retirement communities, medical adult day care centers, senior housing communities and other home and community-based services, we submit a **letter of information** for Senate Bill 743.

Senate Bill 743 creates a pilot program of four sites for an Affordable Assisted Living Enhanced Care Pilot, which still requires licensure as an assisted living and applies to those that would qualify under Maryland's current Community Options Waiver. The funding would be 60% of nursing homes rates. The sites must be able to serve 80-150 units. There is also a contribution component for the residents in the pilot program.

LifeSpan supports the intent of Senate Bill 743. The State must ensure that Maryland has an adequate supply of affordable housing. However, rather than develop a new program, LifeSpan strongly recommends that the State make the needed changes to the Community Options Waiver. Issues with Maryland's current Community Options Waiver that must be addressed include:

- Fully utilizing the number of allocated slots. While the law provides 7500 slots, Maryland falls short of utilization. This is the reason why Maryland could not use the federal ARPA funds to increase slots – CMS denied the request because the State was not using its full allotment.
- Properly fund the Waiver. As indicated in the Hilltop Institute study from 2018, provider rates under the Waiver are woefully inadequate. As a result, providers seemly cannot participate. If rates were increased to cover the cost of care, more providers would be able to participate.

Therefore, while we again support the intent, we believe that the goals of Senate Bill 743 would be more readily achieved by addressing the shortfalls in the current Community Options Waiver.

For more information call:

Danna L. Kauffman
Pamela Metz Kasemeyer
410-244-7000

*7090 Samuel Morse Drive, Suite 400, Columbia, MD 21046
410-381-1176 Fax 410-381-0240 www.LifeSpan-Network.org*